

**City of Atlanta**

**2003 Budget**

**Mid-Year Review**

---

**Prepared by:**  
**Department of Finance**  
**Office of Budget and Fiscal Policy**  
**July 29, 2003**

# CITY OF ATLANTA

## 2003 MID-YEAR BUDGET REVIEW

### --- TABLE OF CONTENTS ---

---

	Page
Mid Year Report	
Introduction and Executive Summary .....	1
General Fund .....	2
Other Funds .....	9
Appendix 1: Detailed Revenue Review (General Fund) .....	13
Appendix 2: Supplemental Schedules – Expenditures .....	25
(General Fund, Internal Service Fund, Traffic Court)	
Appendix 3: Airport Revenue Fund .....	32
Appendix 4: Water and Wastewater Revenue Fund.....	40
Appendix 5: Solid Waste Services Fund .....	50
Appendix 6: Civic Center Revenue Fund.....	58

# **CITY OF ATLANTA**

## **2003 MID-YEAR BUDGET REVIEW**

### **Executive Summary**

This Budget Review is based upon financial activity through the end of the second quarter, June 30, 2003. After six months of financial activity, a clearer picture of the City's finances is emerging.

On the revenue side, General Fund revenues at June 30, 2003 total \$160,322,792, a nominal decrease of \$171,222 from revenues of \$160,494,014 for this same period last year. In the aggregate, revenues appear to be stagnant over the prior year with no appreciable difference in collections. However, there are continuing declines in certain categories of revenues that are sensitive to economic conditions. Specifically, sales taxes, hotel/motel taxes and general business license collections are down \$11,011,229 or 12% from the prior year. These declines are masked somewhat by offsetting increases in real estate transfer taxes, intangible recording fees, liquor licenses, public utility franchise fees and prior year property tax collections.

The revenue collections as of June 30, 2003 represent 38.7% of total anticipations for the year. Last year at this time, revenue collections were at 37.1% of total anticipations. While this rate appears to be a low percentage for six months into the fiscal year, it is important to note that receipt of the majority of property taxes, the largest revenue source for the City, will not occur until the second half of the year.

On the expenditure side, total General Fund expenditures through June 30, 2003 were \$177,200,822, compared to \$196,043,163 for the same period in 2002, a decrease of \$18,842,341 or 9.6% from the prior year. Roughly half of this decrease is attributable to a higher vacancy rate than was experienced this time last year, the elimination of 286 positions, and the operational change in the processing of state charge detainees.

Although expenditures are down somewhat significantly from the prior year, it is important to note that there are several major expenditures that will not occur until the second half of this year including employee pay raises, health insurance and pension cost adjustments, debt service payments, and charge backs to the internal service fund. In addition, there are expenses that will be incurred in 2003 that were not budgeted for such as impending judgments and settlements from prior year lawsuits. At the same time, increased costs in overtime, workers' compensation, and various insurance expenses continue to strain the budget and will need to be monitored closely.

Overall, although the 2003 General Fund budget shows some improvement over 2002 at mid-year, the budget remains very tight and leaves little margin for error or for additional unforeseen costs. It remains highly critical that expenses be managed within adopted budget levels and that revenues be monitored to ensure receipts meet or exceed anticipations.

In terms of projecting forward, at this point, it appears that 2003 revenue anticipations will be met; however, any further downturn in sales tax or a slow rate of collection of property taxes this fall could present budget challenges. On the expenditure side, we appear to be on target to stay within the total appropriation although there are too many expenditures to be incurred in the second half of the year to predict with certainty. We remain cautiously optimistic that the conservative budget policies implemented in the 2003 budget will provide some cushion against a prolonged economic downturn, as well as place the City on stronger financial footing for the long term.

## **Introduction**

The purpose of this report is to provide a summary and analysis of the City's budget performance to date and provide some assessment of financial position. Unless otherwise noted, all figures contained herein are as of the end of the second quarter, June 30, 2003.

While the emphasis of this report is on the General Fund, the funds covered by this review also include:

- Internal Service Fund
- Airport Revenue Fund
- Water and Wastewater Revenue Fund
- Solid Waste Services Fund
- Civic Center Revenue Fund

Each of these funds is discussed in this document. In addition, greater detail on each fund can be found in the set of appendices at the end of the report.

## **General Fund**

### **OVERVIEW**

General Fund financial performance through the second quarter of 2003 compared to the same period of 2002 is summarized below:

	2003 2 <sup>nd</sup> Quarter	2002 2 <sup>nd</sup> Quarter	2003 vs 2002 Increase/(Decrease)
Revenues	\$160,322,792	\$160,494,014	\$ ( 171,222)
Expenditures	\$177,200,822	\$196,043,163	\$ (18,842,341)
Net Difference	\$ (16,878,030)	\$ (35,549,149)	

The operating deficit (excess of expenditures over revenues) at June 30, 2003 is practically half of the deficit for the same period last year. A comparison of revenues for the two time periods demonstrates that collections are basically flat with no appreciable difference over the prior year. In contrast, 2003 expenditures are significantly less than the prior year by \$18,842,341, a 9.6% decrease from 2002. This significant reduction in expenditures accounts for the improved deficit position over the prior year. The net result is that while the performance of the General Fund is somewhat better than at the same point in 2002, the City is still not in a strong financial position overall.

## **REVENUE**

Total General Fund revenues through the second quarter of 2003 were \$160,322,792, compared to \$160,494,014 for the same period in 2002. This represents a decrease of \$171,222 or .107%.

The revenue collections as of June 30, 2003 represent 38.7% of total anticipations for the year. Last year at this time, revenue collections were at 37.1% of total anticipations. While this rate appears to be a low percentage for six months into the fiscal year, it is important to note that receipt of the majority of property taxes, the largest revenue source for the City, will not occur until the second half of the year.

In the aggregate, General Fund revenues appear to be stagnant over the prior year. However, there are continuing declines in certain economically sensitive categories of revenue which are offset by increases in other areas. Specifically, sales taxes, hotel/motel taxes and general business license collections are down \$11,011,229 or 12% from 2002 while prior year property tax collections, public utility franchise fees, liquor licenses, real estate transfer taxes, intangible recording fees, and indirect cost recoveries are up \$11,299,401.

These decreases in revenue collections from sales tax, hotel/motel tax and general business licenses reflect a slow to recover local economy and demonstrate the ongoing economic weaknesses being experienced at the state and national levels. Beyond reflecting economic activity, these three revenue sources are critical to the City as they account for nearly 50% of General Fund revenues from all sources excluding property taxes. As noted above, the decline in these revenue sources is \$11,011,229 million with the largest decline, \$7,204,559, coming from sales tax. The performance and monitoring of these three revenue sources will be key to the City's ending financial position.

Interestingly, the economy is also a factor in some of the revenue sources showing significant increases. As a result of historical lows in interest rates, mortgage and refinancing activity has increased significantly, contributing to a \$2,228,912 increase in collections over the prior year in real estate transfer taxes and intangible recording fees. However, these collections should be viewed as non-recurring and should not be expected to make up any shortfall in economically sensitive revenue sources.

A more detailed discussion of all General Fund revenue accounts can be found in Appendix 1 on page 13, along with schedules showing the performance of various revenue accounts.

There are several revenue and collection issues of note to highlight in 2003. With the exception of the first item, these highlights focus on increasing and improving the City's collection rate which would help to provide a cushion against negative revenue performance in other areas:

1. Sales tax collections – In addition to the decline from economic activity, a portion of the 2003 decrease results from a change in the Local Option Sales Tax (LOST) distribution formula. A new certificate of distribution was executed between the City of Atlanta and Fulton County, whereby the City of Atlanta's share of the sales tax was reduced from 47.39% to 42.87% based on the decline in the city's percentage of municipal population in the county. This change took effect January 1, 2003 and accounts for \$3.9 million of the \$7.2 million decrease in sales tax through June 30. Consequently, overall sales tax receipts are down 16% from the prior year; however, had this change not occurred, sales tax would be down \$3.3 million or 7.3%.

On an annual basis, the change from the distribution formula will result in an estimated \$8.3 million decrease in the City's share of the sales tax, depending on the volume of sales tax receipts. This reduction has been accounted for in the 2003 anticipations.

2. Prior year solid waste services fees – The City executed a contract in January 2003 with an outside collections agency to collect on old solid waste bills still outstanding. A total of 43,000 accounts totaling \$23 million in outstanding balances for prior years through 2002 have been turned over to the collection agency. Any amounts collected on bills prior to 2001 will be revenues for the General Fund. Amounts collected on bill for 2001 and later will go into the Enterprise Fund. As part of this effort, a pilot program will begin late this summer to enable payment for delinquent solid waste accounts through the Internet. Both the collection efforts and Internet payment option are planned to be expanded to all other City accounts receivables, with the next phase targeted at water and wastewater collections.
3. Business license collections – Through increased in-house effort and use of technology, the City is identifying entities who have not paid or renewed their business licenses. Cross references with other databases such as telephone directory listings and Secretary of State listings are enabling the City to identify established businesses who are not currently in the business license database.

In terms of projecting forward, at this point, it appears that 2003 budget anticipations will be met. However, the revenue outlook continues to be tempered by continued weakness in the national and local economies. Any further downturns in sales tax or a slow rate of

collection of property taxes could present significant problems and budget challenges. We remain cautiously optimistic that the conservative revenue policies implemented in the 2003 budget will provide some cushion against a prolonged economic downturn, as well as place the City on stronger financial footing for the long term.

## **EXPENDITURES**

Total General Fund expenditures through the second quarter of 2003 were \$177,200,822, compared to \$196,043,163 for the same period in 2002. This represents a decrease of \$18,842,341 or 9.6% from the prior year.

Of the \$18,842,341 reduction in expenses compared to 2002, \$11,439,749 is from a reduction in personnel and overtime expenses. This reduction in personnel is attributable to a higher vacancy rate than was experienced this time last year and the elimination of 286 positions in the 2003 budget, of which 185 were Corrections positions associated with the change in processing of state charge detainees. (It should be noted that some of this loss will be offset by the transfer of 132 Corrections positions from the Trust Fund to the General Fund. This transfer and the position count have been budgeted but expenses have not yet been charged to the General Fund.)

Overtime is running significantly less than the prior year; however, expenses in this category are still higher than they should be and are discussed in more detail below. The remaining reductions compared to 2002 are from a variety of expenditure accounts.

The mid-year budget review has identified several areas of concern in certain categories of expenditures:

- Overtime – Year to date expenditures in overtime are \$3,312,956, which is almost \$1 million less than expenditures of \$4,294,300 at this time last year. However, overtime expenditures to date are at 66% of appropriations and in some departments such as Fire and Police, overtime has either already exceeded the budget for the year or is very close to exceeding it. Also, over \$840,000 of overtime in the Police Department has been charged to a federal law enforcement block grant in the first half of this year. Last year, this charge back from the General Fund to the grant was not made until the second half of the year, thereby distorting a comparison of overtime expenditures between June 30, 2002 and 2003.

Historically, overtime accounts have greatly exceeded budgets. In 2001, overtime expenses were more than \$10 million above the amounts budgeted for overtime. In 2002, overtime expenses actually came in \$364,576 less than budgeted primarily due to policies put in place in the second half of the year to manage overtime use. For 2003, based on mid-year expenditures, projections suggest that overtime will exceed appropriations by \$1.5 – 2 million. While this is a significant improvement over prior years, we must continue to manage and monitor overtime and not count on “salary savings” from vacant positions as has

been done historically to make up for cost overruns. Some of the drivers of overtime have been the result of military leave, extended use of sick leave and leave under the federal Family and Medical Leave Act (FMLA), and higher than average vacancy rates. Additionally, a certain amount of overtime is driven by emergency conditions that cannot be predicted or planned for and unforeseen events that have not been budgeted for. Schedule 4 in Appendix 2 on page 30 details overtime expenses to date by department.

- Workers' Compensation – Expenditures to date to service providers for payment of claims is \$1,785,067 and has already exceeded appropriations of \$1.4 million. Additionally, expenditures in workers' compensation of \$1,172,874 for injuries on the job have already exceeded last year's expenditures by 48%. The number of individuals with workers compensations claims and injuries has increased from 710 last year to 794 this year.

Measures are being taken to reduce the number of workplace and work-related accidents and injuries through the implementation of safety and education programs. Additionally, outsourcing of claims processing and claims management is being explored as a further step to control workers' compensation costs. An RFP has been issued and proposals have been received which are currently in the process of being evaluated.

- Insurance Expense – Premiums for property and other insurance purchased by the City total \$1,432,834 and have exceeded appropriations of \$1,187,497 by over \$240,000. Premiums have continued to rise steadily in the wake of increased concerns over security and acts of terrorism.

In total, the expenditures as of June 30, 2003 represent 39.8% of total appropriations of \$444,846,518 excluding the restricted reserve. Last year at this time, expenditures were at 46.4% of total appropriations of \$422,281,994 excluding reserves. While this expenditure rate appears to be a low percentage for six months into the fiscal year, it is important to note that there are several major expenditures that will not occur until the second half of the year, including:

- Employee pay increments – \$2.9 million was appropriated in the 2003 budget to reinstate annual pay increments for eligible City employees. The annual increments were authorized to be reinstated and paid starting July 1, 2003, retroactive to January 1, 2003. Payments are being processed in July that include retroactive compensation for the period January 1 through June 30, 2003 for those eligible employees whose anniversary dates occurred during that period. Increment increases for eligible employees whose anniversary dates fall in the second half of the year will be processed routinely based on actual anniversary date and performance appraisal. The financial impact applicable to the payment of the increments for both the salary expense and employer pension contribution expense accounts will be recorded in the second half of the year.

- Health insurance and pension – Like many other employers, the City has been experiencing increasing costs in providing health insurance due to the rising cost of health care. The City is also experiencing increases in pension cost due to reduced returns in the investment portfolio from lower interest rates and increased benefits authorized for police and fire employees. When the 2003 budget was developed, it was anticipated that there would be significant increases in Employer Health Insurance and Employer Pension Contribution costs. To date, employer cost for health insurance has been \$14.5 million, which is 41.1% of the General Fund budget of \$35.5 million for health insurance cost. Employer pension costs of \$15.8 million for the first half of 2003 are significantly less than the budget for the year of \$49.8 million due to accounting adjustments that have not been implemented. Significant retroactive adjustments will be recorded in the second half of the year to meet the prescribed annual contribution amounts.

If costs continue to rise, which is anticipated, employer health insurance and pension contributions will both be an issue for the 2004 budget, as additional funding will be required over 2003 levels.

- Debt service – To date, \$5,141,519 or 22% of the budgeted amount for debt service has been paid out. In the second half of the year, the City is scheduled to make 10 payments for general fund debt totaling \$18,108,736, primarily in November and December.
- Internal services – To date, only \$4,714,171 in internal services expenses has been charged against the General Fund. These expenses represent 25% of total appropriations of \$19,029,783 budgeted for these services and are comprised of charge backs to departments for services provided by other agencies, namely motor transport and information systems. A minimum of an additional \$14 million is expected to be charged back for the remainder of the year, especially for increased motor fuel expenses and for IT services not yet charged.

Finally, there are additional cost items that have been identified which were not budgeted in the 2003 General Fund budget. These items will have to be accommodated through either savings in other expense categories or utilizing the reserves. In either case, these items, along with any other major unforeseen or unplanned expenditures for the remainder of the year, could possibly impact the ability of the General Fund to stay within budget and will also impact the amount of fund availability to carry forward into 2004. So far, the following additional expenses have been identified in 2003 that are not budgeted for:

- Lawsuits – There are several impending judgments and settlements from lawsuits dating back to prior years that may impact in 2003 and also 2004. At this time, we do not know our total exposure or liability; the Department of Law is appealing several of the judgments and negotiating some of the settlements. However, these cases could have a financial impact on the City of several million dollars. For example, the case with the greatest potential liability is the challenge

to the constitutionality of the occupational tax on attorneys. The settlement or judgment from this case could run in the range of \$8-20 million over a period of one to three years depending on how the final settlement or judgment is structured. This case has also resulted in a revenue loss of \$1.2 million in 2003 as the fee has been temporarily discontinued (see also Appendix 1).

- Parks and Recreation – In prior year budgets, funding was appropriated to build three new centers: the Adamsville Recreation Center, the Washington Park Natatorium and Tennis Center, and the Martin Luther King Recreation Center. These centers are scheduled to open during 2003; however, sufficient operating funding was not fully included in the 2003 budget. The operating costs in 2003 associated with these centers total \$647,000 and annualize to over \$800,000 for the 2004 budget.

Overall, although General Fund expenditure levels appear to be on target to stay within the total appropriation, there are too many expenditures to be incurred in the second half of the year to predict with certainty. Overtime expenses as well as increases in health insurance, pension costs and workers' compensation will need to be monitored closely. Also, any additional unforeseen expenses may cause the City to tap into its reserves, impacting fund availability for 2004 and diminishing our cushion against any revenue shortfalls.

## **GENERAL FUND SUMMARY**

Although the 2003 budget shows some improvement over 2002 at mid-year, the budget remains very tight and leaves very little margin for error or for additional unforeseen items. It remains highly critical that expenses be managed within adopted budgeted levels and that revenues be monitored to ensure receipts meet or exceed anticipations.

## **GENERAL FUND PROJECTIONS – 2003 and 2004**

It is still premature at this point to reach definitive conclusions about year ending financial position. Projections continue to be updated and refined as each month's actual figures are known. Based on the first six months of the year and making certain assumptions about historical trends and economic conditions, current projections are that revenue collections for the year will be an estimated \$431 million. This estimate is simply a point in time projection and for now, is well within conservative anticipations of \$414.6 million but still less than actual receipts last year of \$457.3 million. This estimated decrease in collections compared to last year is due primarily to the change in sales tax distribution with Fulton County, one time non-recurring items received in 2002 that will not be repeated in 2003, and the continued decline of the economy felt in sales tax, hotel/motel, and business license collections.

On the expenditure side, year end estimates are even more difficult to predict given the large portion of expenditures to be incurred in the second half of the year along with various unforeseen and unbudgeted items. Nonetheless, gross projections are that the

City will have a small ending cash balance at the end of the year. However, after adjusting for 2003 year end payables that will be carried over to 2004, the amount available for the 2004 budget is estimated to be relatively flat over 2003. As such, the budget instructions and budget process for 2004 reflect an estimated financial position with minimal to no growth over 2003.

## **Other Funds**

### **INTERNAL SERVICE FUND**

Internal Service Fund performance through the second quarter of 2003 compared to the same period of 2002 is summarized below:

	2003 2 <sup>nd</sup> Quarter	2002 2 <sup>nd</sup> Quarter	2003 vs 2002 Increase/(Decrease)
Revenues	\$ 9,979,248	\$13,222,143	\$ (3,242,895)
Expenditures	\$14,298,946	\$14,653,100	\$ (354,154)
Net Difference	\$ (4,319,698)	\$ (1,430,958)	

The Internal Service Fund's revenues are down \$3.2 million compared to the second quarter of 2002. This reduction is due to a low level of data processing charges that have not been charged back to user agencies. The Department of Information Technology (DIT) is in the process of reviewing their charge back system to correct any errors that may have occurred in the revenue postings. Any necessary adjustments will be recorded and reflected in the revenue in the second half of the year. At the same time, this adjustment will be reflected as an expense to the General Fund.

The 2003 mid-year expenditures are consistent with 2002. Both DIT and Motor Transport Services are in process of reviewing the structure of their charge backs to the user departments in relationship of their ability to adequately cover operational costs. Additionally, expenditures in overtime and motor fuel are beginning to put pressure on this Fund and will need to be monitored closely in the second half of the year.

### **AIRPORT REVENUE FUND**

Airport Revenue Fund financial performance through the second quarter of 2003 compared to the same period of 2002 is summarized on the following page:

	2003 2 <sup>nd</sup> Quarter	2002 2 <sup>nd</sup> Quarter	2003 vs 2002 Increase/(Decrease)
Revenues	\$122,908,362	\$124,522,995	\$ ( 1,614,633)
Expenditures	\$ 96,520,171	\$ 92,821,508	\$ 3,698,663
Net Difference	\$ 26,388,191	\$ 31,701,487	

The Airport Revenue Fund shows revenues exceeding expenditures by over \$26 million at mid-year. The operating surplus (excess of revenues over expenditures) fell, however, from nearly \$32 million to \$26.4 million compared to 2002 mid-year, a decline of 16.8%. This operating surplus has fallen even further when compared to the 2001 mid-year level of \$40.8 million, just prior to September 11, 2001. Overall, the Airport is performing well; however, net operating margins are becoming smaller compared to historical levels. These declining margins are the result of higher debt service requirements from expansions, increased security costs, and continued instability in air travel.

A more detailed discussion of the Airport Revenue Fund can be found in Appendix 3 on page 32, along with detailed schedules showing the performance of various revenues and expenditures.

## **WATER AND WASTEWATER REVENUE FUND**

The Water and Wastewater Revenue Fund financial performance through the second quarter of 2003 compared to the same period of 2002 is summarized below:

	2003 2 <sup>nd</sup> Quarter	2002 2 <sup>nd</sup> Quarter	2003 vs 2002 Increase/(Decrease)
Revenues	\$ 88,432,306	\$ 86,316,269	\$ 2,116,037
Expenditures	\$ 57,904,828	\$ 49,235,859	\$ 8,668,969
Net Difference	\$ 30,527,478	\$ 37,080,410	

In the Water and Wastewater Revenue Fund, revenues have somewhat stabilized over the prior year. Expenditures have increased by \$8.7 million over the prior year due to increased personnel expenses and associated operating costs and an increase in indirect cost which is currently under review. Year to date 2003 revenues of \$88,432,306 represent 45.4% of anticipations and expenses of \$57,904,828 represent 30% of appropriations. Debt service payments, a significant expenditure for this Fund, will be made in the second half of the year.

A more detailed discussion of the Water and Wastewater Revenue Fund can be found in Appendix 4 on page 40, along with detailed schedules showing the performance of revenues and expenditures.

## **SOLID WASTE SERVICES REVENUE FUND**

The Solid Waste Services Revenue Fund financial performance through the second quarter of 2003 compared to the same period of 2002 is summarized below:

	2003 2 <sup>nd</sup> Quarter	2002 2 <sup>nd</sup> Quarter	2003 vs 2002 Increase/(Decrease)
Revenues	\$ 4,307,729	\$ 14,336,574	\$ (10,028,846)
Expenditures	\$ 20,200,955	\$ 22,587,899	\$ ( 2,386,944)
Net Difference	\$ (15,893,226)	\$ (8,251,325)	

The Solid Waste Services Revenue Fund was established as an enterprise fund in late 2001, retroactive to January 1, 2001. For the full two years (2001 and 2002) the Fund has operated as an enterprise fund, the operating deficit has totaled \$15.3 million. While the Fund has not been self-supportive as an enterprise fund to date, there are a host of initiatives underway to address financial and operational issues including revising the current solid waste ordinance, conducting a new rate study, re-evaluating contracts, improving revenue collection rates, and performing management reviews of operations and processes.

Revenues collected for the Solid Waste Services Fund to date are down \$10 million compared to the prior year. However, a majority of the revenues will be received in the second half of this year due to various billing and collections changes. These changes are targeted to increase and improve the City's collection rate. Specifically, effective July 1, 2003, responsibility for the billing and collection of solid waste services was transferred back to Dekalb and Fulton Counties. The purpose of the transfer was to realign the timing of the billings with property tax notices to make payment easier for ratepayers and to improve collection rates. The normal quarterly billings were postponed this year in anticipation of this change. The new annual solid waste bills have recently been mailed to ratepayers; payments are due August 15 in Dekalb County and September 15 in Fulton County. (It should be noted that the bill was included as a part of the property tax bill in Dekalb County but as a separate bill in Fulton County. However, Fulton County will include solid waste billings on the property tax bill beginning in 2004.)

Also effective July 1, 2003, the solid waste residential base rate was increased by \$50 and is estimated to generate an additional \$4.3 million in revenue.

A more detailed discussion of the Solid Waste Services Fund can be found in Appendix 5 on page 50, along with detailed schedules showing the performance of revenues and expenditures.

### **CIVIC CENTER REVENUE FUND**

The Civic Center Revenue Fund financial performance through the second quarter of 2003 compared to the same period of 2002 is summarized below:

	2003 2 <sup>nd</sup> Quarter	2002 2 <sup>nd</sup> Quarter	2003 vs 2002 Increase/(Decrease)
Revenues	\$ 947,441	\$ 749,261	\$ 198,190
Expenditures	\$ 735,031	\$ 715,097	\$ 19,934
Net Difference	\$ 212,410	\$ 34,164	

The Civic Center began operating as an Enterprise Fund in 2002 and officially became a stand-alone Enterprise in 2003. Although their year to date financial position reflects an operating surplus and improved revenues over the prior year, the Civic Center continues to operate at very low margins and with frequent shortfalls in cash flow. Other challenges for the Civic Center are capital needs and increased costs for service, repair and maintenance contracts that were not budgeted.

A more detailed discussion of the Civic Center Revenue Fund can be found in Appendix 6 on page 58, along with detailed schedules showing the performance of revenues and expenditures.

## **APPENDIX 1 – DETAILED REVENUE REVIEW (General Fund)**

### **Overview**

Total General Fund revenues collected through the second quarter of 2002 were \$160,494,011, compared to \$160,322,792 for the same period in 2003. The 2002 amount of \$160.4 million is an adjusted figure whereby \$38 million in proceeds from the issuance of 2002 tax anticipation notes (TANs) has been excluded. This action was taken for the sake of consistency since no TANs were issued in 2003. After smoothing for TAN receipts, General Fund revenues declined by \$171,222 or .107%.

For the second quarter of 2002, receipts were 37.1% of total anticipations for the year. This year, receipts are 38.7% of total anticipations.

In the aggregate, General Fund revenues appear to be stagnant compared to the prior year. However, as was apparent for the second quarter of 2002, General Fund revenues continue to decline especially in the other tax revenue category. This category contains the economically sensitive sales tax and hotel/motel tax revenues, which have consistently shown decreases through the second quarter of 2003 versus 2002. The license and permit category also shows declines through June, but the decrease is not as significant. These declines are not readily apparent since they are offset by increases in other revenue categories.

General Fund revenues continue to reflect a slow to recover local economy. As a result, four individual revenue accounts have been singled out for detailed analysis due to their reflection of economic activity. These accounts are the Local Option Sales Tax, the Hotel/Motel Tax, the General Business License, and the Building Permit Fees. Beyond reflecting economic activity, these four revenue sources account for nearly 50% of General Fund revenues from all sources excluding property taxes. The chart on the following page shows the performance of these accounts through June.

	Jan	Feb	Mar	April	May	June	
	2002	2002	2002	2002	2002	2002	Total
Sales tax	6,975,945	8,340,857	8,141,398	7,335,268	6,879,220	7,390,547	45,063,235
Hotelmotel	2,093,266	2,838,187	3,037,804	3,366,263	2,963,668	2,848,705	17,147,891
Bldg. permits	244,944	289,020	390,822	410,824	345,093	1,600,934	3,281,637
Gen. Bus. Lic.	<u>728,518</u>	<u>3,401,816</u>	<u>11,323,346</u>	<u>8,163,429</u>	<u>1,607,912</u>	<u>1,056,836</u>	<u>26,281,857</u>
Total	10,042,673	14,869,879	22,893,369	19,275,784	11,795,893	12,897,022	91,774,621

  

	Jan	Feb	Mar	April	May	June	
	2003	2003	2003	2003	2003	2003	Total
Sales tax	6,084,214	6,875,547	6,490,085	6,001,871	6,289,914	6,117,043	37,858,676
Hotelmotel	2,333,880	2,593,493	3,049,946	2,395,552	2,256,927	2,460,849	15,090,647
Bldg. permits	509,836	363,037	696,989	576,535	436,848	667,323	3,250,568
Gen. Bus. Lic.	<u>268,817</u>	<u>806,941</u>	<u>6,326,535</u>	<u>11,655,189</u>	<u>3,661,948</u>	<u>1,813,001</u>	<u>24,532,432</u>
Total	9,196,747	10,639,019	16,563,556	20,629,147	12,645,637	11,058,217	80,732,323

  

Diff	(845,925)	(4,230,860)	(6,329,813)	1,353,363	849,744	(1,838,806)	(11,042,298)
%	-8%	-28%	-28%	7%	7%	-14%	-12.03%

These accounts show a net decrease of \$11,042,298 or 12.03 % from 2002 receipts for the same period. It is discouraging to note that for these four categories combined, revenues in four of the last six months have been below the prior year with the largest decline being in sales tax. The performance of these four accounts over the remainder of 2003 will be key to the city's ending financial position.

Over the second quarter, the decrease in the four accounts highlighted above has been largely offset by higher collection of prior years property taxes, real estate taxes, franchise taxes, increases in alcohol license and construction permit fees, and increases in indirect cost recoveries. It is unknown to what extent these increases will be recurring and as such, cannot be expected to continue to make up any continuing shortfall in economically sensitive revenue sources.

A number of economic reports and forecast from business and academic sources have been reviewed, and all seem to lead to the same basic conclusion. For a variety of reasons, the recovery of the Georgia and Atlanta economies are lagging, as is the rest of the nation. However, it has also been predicted that the Atlanta economic recovery will lag behind the nation for the next couple of years due to Atlanta being hit particularly hard in the areas that drive economic growth, tourism, transportation and telecommunications. Rising unemployment rates and poor job growth paint a picture of very little meaningful growth through the current period. As a result, no significant economic rebound is expected until 2004 and 2005.

The charts that follow identify the major revenue categories, specific revenue items, and the corresponding net decreases, which have contributed to the decline in total General Fund revenue collections.

	June		Increase	
Other Taxes	2002	2003	(Decrease)	% Chg.
	96,295,680	90,235,332	(6,060,348)	-6.29%

The Other Tax Category indicates a \$6 million net decrease in revenues, or 6.2% through the second quarter versus 2002. The decrease in this category is attributed primarily to declines in revenues from Local Option Sales taxes and Hotel/Motel taxes. For the second quarter of 2002, receipts were 48.1% of total anticipations for the year. This year, receipts are 48.5% of total anticipations.

	June		Increase	
Local Option Sales Taxes	2002	2003	(Decrease)	% Chg.
	45,063,235	37,858,676	(7,204,559)	-15.99%

Local Option Sales Tax revenue has declined \$7.2 million in 2003. For the second quarter of 2002, receipts from sales taxes represented 49% of the 2002 anticipation. This year, receipts from sales taxes represent 49.5% of total anticipations. A portion of the 2003 decrease results from the new certificate of distribution executed between the City of Atlanta and Fulton County, whereby the City of Atlanta's share of the sales tax was reduced from 47.39% to 42.87%. This has resulted in approximately \$3.9 million of the \$7.2 million decrease through June. More concerning, however, is the fact that the other \$3.3 million of the \$7.2 million decline in sales tax revenue results from continued fall off in retail sales activity within the city of Atlanta. Preliminary year-end estimates for sales taxes through June 2003 project that total sales tax receipts collected by year-end will barely meet the 2003 anticipation level, which was set at \$76.5 million. If this downward trend continues it could place considerable pressure on the meeting of our 2003 anticipations for sales taxes and the anticipations for the General fund as a whole. Continued emphasis must be placed on the monitoring and scrutinizing of this particular revenue item as we move toward the upcoming budget process.

	June		Increase	
Hotel/Motel Occupancy Taxes	2002	2003	(Decrease)	% Chg.
	17,147,892	15,090,647	(2,057,245)	-12.00%

Hotel/Motel Tax revenue has declined \$2 million through June of 2003 compared to 2002. Second quarter 2002 receipts of Hotel/Motel taxes were 50.1% of total

anticipations. This year, receipts are 46.9% of total anticipations. The decrease in Hotel/Motel tax revenue results mainly from declining business travel.

	June		Increase	
Licenses and Permits	2002	2003	(Decrease)	% Chg.
	37,722,231	37,098,396	(623,835)	-1.65%

The \$623,835 decrease in the License and Permits revenue category is attributed primarily to declines in revenues from the General business licenses and the Professional attorneys licenses as discussed below. Mid-year 2002 receipts of License and Permit revenue were 70.8% of total anticipations. This year, receipts are 76.8% of total anticipations.

	June		Increase	
General Business Licenses	2002	2003	(Decrease)	% Chg.
	26,281,858	24,532,433	(1,749,425)	-6.66%

Second quarter General business licenses revenue indicates a \$1.7 million decrease through 2003 compared to 2002. June 2002 receipts of General business license revenue were 83.3% of total anticipations. This year, receipts are 81.1% of total anticipations. This decline in 2003 collections is due to delays in the 2003 billings for General business licenses. This decline has been offset by increases in alcohol license revenue brought about from an increase in certain alcohol license fees.

	June		Increase	
Licenses, Gen Prof. Attrys.	2002	2003	(Decrease)	% Chg.
	1,237,968	0	(1,237,968)	0.00%

General Professional Attorney's license revenue indicates a \$1.2 million decrease in June 2003 compared to 2002. Billing for this revenue item has been temporarily discontinued due to a lawsuit and court ruling that the fee is unconstitutional. The case is currently back in the trial court following the ruling by the Georgia Supreme Court. It is unknown at this point the extent of liability the City may have for prior year fees collected. On a go-forward basis, the timing and the basis of the fee will need to be restructured to meet constitutional provisions and withstand any legal challenges. Given the lawsuit, no revenues were anticipated in this category for 2003.

At this point, it appears that the 2003 budget revenue anticipations will be met. The margin, however, is very thin and any further downturn in sales tax, hotel/motel tax, general business licenses, building permits, or slow rate of collection of property taxes would present major problems. Revenues will continue to be closely monitored with

specific interest on collection rates and on General Fund revenues that are economically sensitive.

The charts on the following pages are a comparative analysis of General Fund revenues and provide more detailed collection information by revenue type.

## CITY OF ATLANTA

## COMPARATIVE ANALYSIS OF GENERAL FUND REVENUES - 2002 &amp; 2003

## MID-YEAR REPORT (JANUARY - JUNE)

## Summary &amp; Detail By Major Revenue Category

Major Revenue Category	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
Property Taxes	\$126,708,591	\$6,486,429	5.1%	\$124,634,889	\$8,335,358	6.7%	1,848,929	28.50%
<b>Other Taxes</b>	<b>\$200,299,319</b>	<b>96,295,680</b>	<b>48.1%</b>	<b>\$186,066,314</b>	<b>90,235,332</b>	<b>48.5%</b>	<b>(6,060,348)</b>	<b>-6.29%</b>
<b>Licenses and Permits</b>	<b>53,286,151</b>	<b>37,722,231</b>	<b>70.8%</b>	<b>48,297,927</b>	<b>37,098,396</b>	<b>76.8%</b>	<b>(623,835)</b>	<b>-1.65%</b>
Intergovernmental Revenues	538,000	245	0.0%	515,522	0	0.0%	(245)	0.00%
Charges For Services	4,759,686	2,132,496	44.8%	4,292,255	2,821,239	65.7%	688,744	32.30%
Fines and Forfeits	1,089,096	648,271	59.5%	1,014,047	758,740	74.8%	110,469	17.04%
Miscellaneous Revenues	8,216,086	4,098,778	49.9%	8,231,416	4,657,663	56.6%	558,885	13.64%
Other Financing Sources	37,974,246	13,109,885	34.5%	41,538,520	16,416,065	39.5%	3,306,180	25.22%
<b>TOTALS</b>	<b>\$432,871,175</b>	<b>\$160,494,014</b>	<b>37.1%</b>	<b>\$414,590,890</b>	<b>\$160,322,792</b>	<b>38.7%</b>	<b>(171,222)</b>	<b>-0.11%</b>

## Note:

- (1) This comparison does not contain 2002 YTD revenue from the Traffic Court Restricted Building account which in 2003 is recorded in the Traffic Court Facility bond fund.
- (2) This comparison does not contain \$38 million in 2002 YTD revenue from the issuance of Tax Anticipation Notes (TAN) which in 2003 were not issued.
- (3) Items bracketed in bold reflect those revenue categories considered to have "significant negative variances", which have contributed to the net decline in year to date revenues.
- (4) "Significant Negative Variances" for this analysis are considered to be negative amounts of \$500,000 or greater.

	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
<b>1 TAXES</b>								
611101 Taxes, Current Property	122,723,591	2,870,925	2.34%	123,180,892	3,276,289	2.66%	405,364	14.12%
611102 Taxes Curr. Yr. Intang.								
611103 Taxes, Real Estate Transfer	3,097,000	0	0.00%	2,799,241	1,218,537	43.53%	1,218,537	0.00%
611104 Taxes, Intangible Rec.	3,167,000	1,888,672	59.64%	3,824,822	2,899,047	75.80%	1,010,375	53.50%
611201 Taxes, Pr Yr Property	3,985,000	3,615,504	90.7%	1,453,997	5,059,069	347.9%	1,443,565	39.93%
611202 Taxes, Prior Intang. Property								
<b>612102 Taxes, Local Option</b>	<b>91,936,799</b>	<b>45,063,235</b>	<b>49.0%</b>	<b>76,555,444</b>	<b>37,858,676</b>	<b>49.5%</b>	<b>(7,204,559)</b>	<b>-15.99%</b>
613101 Taxes, Pub. Util. Fran.	39,140,000	25,357,639	64.8%	42,047,217	26,507,718	63.0%	1,150,079	4.54%
613201 Taxes, Ins. Prem.	14,977,000	0	0.00%	15,927,027	0	0.00%	-	0.00%
6133XX Taxes, Alc Bev.	10,382,363	4,787,496	46.1%	9,486,797	4,780,889	50.4%	(6,607)	-0.14%
6133XX Taxes, Alc Bev. By Dk.	3,216,359	1,744,770	54.2%	3,265,197	1,706,970	52.3%	(37,800)	-2.17%
<b>6134XX Taxes, Hotel-Motel Occ.</b>	<b>34,232,798</b>	<b>17,147,892</b>	<b>50.1%</b>	<b>32,160,569</b>	<b>15,090,647</b>	<b>46.9%</b>	<b>(2,057,245)</b>	<b>-12.00%</b>
614101 Taxes, Interest on	150,000	305,976	204.0%	0	172,848	0.0%	(133,128)	-43.51%
614201 Taxes, Penalties on								
<b>TOTAL TAXES</b>	<b>\$327,007,910</b>	<b>\$102,782,109</b>	<b>31.4%</b>	<b>\$310,701,203</b>	<b>\$98,570,690</b>	<b>31.7%</b>	<b>(4,211,419)</b>	<b>-4.10%</b>

	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
<b>2 LICENSES &amp; PERMITS</b>								
6211XX Licenses, Beer & Wine	1,852,683	719,844	38.9%	1,162,520	1,400,975	120.5%	681,131	94.62%
6211XX Licenses, Whiskey	398,538	119,332	29.9%	244,997	248,687	101.5%	129,355	108.40%
6211XX Licenses, Pouring	3,140,410	1,592,913	50.7%	2,193,300	2,378,700	108.5%	785,787	49.33%
<b>621201 Licenses, Gen. Business</b>	<b>31,552,393</b>	<b>26,281,858</b>	<b>83.3%</b>	<b>30,266,778</b>	<b>24,532,433</b>	<b>81.1%</b>	<b>(1,749,425)</b>	<b>-6.66%</b>
6212X1 Licenses, Financial Institutions	1,302,233	2,220,524	170.5%	2,131,702	2,043,434	95.9%	(177,091)	-7.98%
621301 Licenses, Gen Prof.	2,638,111	157,085	6.0%	912,897	448,055	49.1%	290,970	185.23%
<b>621312 Licenses, Gen Prof. Attrys</b>	<b>0</b>	<b>1,237,968</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>(1,237,968)</b>	<b>0.00%</b>
621302 Licenses, Bus Operator								
622101 Permits, Building	7,574,612	3,281,637	43.3%	6,636,038	3,250,568	49.0%	(31,069)	-0.95%
622102 Permits, H. V. A. C.	1,345,414	607,039	45.1%	1,308,058	951,053	72.7%	344,014	56.67%
622103 Permits, Plumbing	1,160,467	464,419	40.0%	984,893	612,015	62.1%	147,596	31.78%
622104 Permits, Electrical	1,285,713	483,326	37.6%	1,343,204	611,809	45.5%	128,483	26.58%
622105 Permits, Fire Occ.	305,341	166,377	54.5%	324,869	198,389	61.1%	32,012	19.24%
622106 Permits, Elec Low Voltage								
622201 Permits, Car For Hire	184,000	119,003	64.7%	265,957	159,530	60.0%	40,527	34.06%
622202 Permits, Wrecker								
622203 Permits, Commmerc. Pkg.	114,000	48,590	42.6%	46,848	60	0.1%	(48,530)	-99.88%
622204 Permits, Residential Pkg.	2,000	5,196	259.8%	7,461	2,454	32.9%	(2,742)	-52.77%
622205 Permits, Temporary Parking	0	0	0.0%	0	625	0.0%	625	0.00%
622301 Permits, Signs	76,270	40,600	53.2%	124,804	53,042	42.5%	12,442	30.65%
622302 Permits, Solicitation								
622303 Permits, Festival	92,000	57,890	62.9%	71,135	81,524	114.6%	23,634	40.83%
622304 Permits, Close St./SWalks	258,000	114,557	44.4%	266,350	114,503	43.0%	(54)	-0.05%
622305 Permits, Land dist.	3,966	4,074	102.7%	6,116	10,541	172.4%	6,467	158.74%
622306 Permits, Comm Pkg Fac								
699001 Business Licenses								
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>\$53,286,151</b>	<b>\$37,722,231</b>	<b>70.8%</b>	<b>\$48,297,927</b>	<b>\$37,098,396</b>	<b>76.8%</b>	<b>(623,835)</b>	<b>-1.65%</b>

	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
<b>3 INTERGOVERNMENTAL</b>								
633201 Local Shared:								
B00001 Revenue-Other								
T51002 Atl. F.C. Stad. Aut.								
T51003 Zoo Atlanta	538,000	245	0.05%	515,522	0	0.00%	(245)	0%
<b>TOTAL INTERGOVERNMENTAL</b>	<b>\$538,000</b>	<b>\$245</b>	<b>0.05%</b>	<b>\$515,522</b>	<b>\$0</b>	<b>0.00%</b>	<b>(245)</b>	<b>0%</b>
<b>4 CHARGES FOR SERVICES</b>								
441101 Court Cost, Fees & Ch					2,399			
641102 Tax Assessor, F. C.								
641103 Returned Check Fees	5,839	3,288	56.3%	0	2,922	0.0%	(366)	-11.13%
641106 Election Qualifying								
641105 Fees, Spec. Non-Recur.		0		0	0			
641107 Fees-Domestic Partnership					180			
641108 Fees-Admin Services					0			
641109 Tree Appeals		2,200		5,136	3,150	61.3%		
641201 Rezoning Petitions	104,574	51,950	49.7%	114,576	71,150	62.1%	19,200	36.96%
641202 Zoning Appeals	144,783	95,875	66.2%	140,808	44,150	31.4%	(51,725)	-53.95%
641203 Subdivision Filing					100		100	100.00%
641301 Garnishment Fees								
641304 Telephone Usage	11,828	5,645	47.7%	12,195	4,339	35.6%	(1,306)	-23.14%
641401 Maps, Codes & Records	583,504	195,442	33.5%	364,633	176,332	48.4%	(19,110)	-9.78%
641402 Paper For Recycling								
641403 Junk		0			0			
642101 Police services, Fulco								
642102 Police Service AHA		15,280			0		(15,280)	0.00%
642103 Police Service ABOE	901,257	228,335	25.3%	830,246	439,745	53.0%	211,410	92.59%
642105 Police Serv. Bur. Alarm	517,637	295,856	57.2%	433,781	127,970	29.5%	(167,886)	-56.75%
642202 Fire Serv. Ambulance	185,823	0	0.0%	0	0	0.0%		
642203 Fire Education Fee								
642311 Police Inspection Fees	1,455,915	750,154	51.5%	1,464,330	685,410	46.8%	(64,744)	-8.63%

	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
642312 St./Curb/Drive Inspect	197,441	122,375	62.0%	229,976	112,757	49.0%	(9,618)	-7.86%
642321 Liquor Lic, Fire Insp.	2,054	8,780	427.5%	15,638	7,560	48.3%	(1,220)	0.00%
642322 Liquor Lic, Bldg. Insp.	5,519	3,725	67.5%	11,544	6,850	59.3%	3,125	83.89%
642331 Occupancy Certificates	168,478	94,266	56.0%	233,271	96,860	41.5%	2,594	2.75%
642332 Owner Req. Housing Insp.		0			100			
643101 Streets/SW/Curbs Curr.								
643102 Street/SW/Curbs, Pr.								
643103 Fees, Subdiv. Plan Review	5,094	7,630	149.8%	11,491	4,165	36.2%	(3,465)	-45.41%
643104 Fees, Insp Curbs/Pav'g	30,197	35,056	116.1%	61,163	64,357	105.2%	29,301	83.58%
643201 Parking Meters	304,380	154,942	50.9%	263,199	68,451	26.0%	(86,491)	-55.82%
643301 Sanitary Service, Curr.		0					-	0.00%
643302 Sanitary Service, Prior		15,716			856,768		841,052	0.00%
643303 Sanitary Serv. Surcharge								
643305 Inciner./landfill Disp		970			0		(970)	0.00%
644101 Golf Fees	92,002	36,184	39.3%	66,656	33,296	50.0%	(2,888)	-7.98%
644102 Swimming Fees	43,361	8,827	20.4%	33,612	12,228	36.4%	3,401	38.53%
644103 Tennis Fees								
644105 Recreation Act, Fees								
647401 Adm. Services, WPC								
647402 Eng. Services, WPC								
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$4,759,686</b>	<b>\$2,171,935</b>	<b>45.6%</b>	<b>\$4,292,255</b>	<b>\$2,861,044</b>	<b>66.7%</b>	<b>689,110</b>	<b>31.73%</b>
<b>5 FINES AND FORFEITS</b>								
651101 Traffic & Parking Fines	0	18,505	0.0%	0	26,691	0.0%	8,186	0.00%
651102 Bldg Fund-Restricted		0					-	0.00%
651201 General Fines	997,729	490,435	49.2%	855,549	404,356	47.3%	(86,079)	-17.55%
652101 Uclaimed Money , Prisoner		0			158,376		158,376	0.00%
652102 Unclaimed Articles		55,867			28,055		(27,812)	-49.78%
652103 Bonds Forfeit'd/Coll.		0			8,004		8,004	0.00%

	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
652104 Fifa Costs & Penalties								
652105 Licenses/Permit,ADM Fines	91,367	83,464	91.4%	158,498	133,258	84.1%	49,794	59.66%
<b>TOTAL FINES AND FORFEITS</b>	<b>\$1,089,096</b>	<b>\$687,710</b>	<b>63.1%</b>	<b>\$1,014,047</b>	<b>\$798,545</b>	<b>78.7%</b>	<b>110,835</b>	<b>16.12%</b>
<b>6 MISCELLANEOUS REVENUES</b>								
661001 Interest Earnings	\$519,470	(\$256,338)	-49.3%	\$546,742	\$630,122	115.3%	886,460	-345.82%
662101 Land Rentals, General	923,341	765,174	82.9%	1,112,546	551,218	49.5%	(213,956)	-27.96%
662201 Bldg. Rentals General	740,779	446,803	60.3%	942,867	366,725	38.9%	(80,078)	-17.92%
662210 Ema Facility, Ful Co.								
662311 Food Drink & Notions	113,865	85,693	75.3%	145,033	18,521	12.8%	(67,172)	-78.39%
662312 Public Telephones	93,720	33,936	36.2%	63,614	21,780	34.2%	(12,156)	-35.82%
662314 Tennis Concessions								
662315 Electric, Civic Center								
662316 Towing Concessions	506,400	223,715	44.2%	407,131	215,058	52.8%	(8,657)	-3.87%
662391 Concessions - Other	1,407	1,145	81.4%	14,441	582	4.0%	(563)	0.00%
662501 Rentals, R-O-W's	21,364	13,147	61.5%	31,543	5,617	17.8%	(7,530)	-57.28%
662502 U S Marshall Lease/Rental	4,742,379	2,507,885	52.9%	4,775,154	2,703,310	56.6%	195,425	7.79%
663301 Clearance of Prop.-Curr.								
664101 Private Contr. & Donations								
666001 Gain-Sale of Investments		11,252			0		(11,252)	-100.00%
669101 Recover Erroneous Pmts		64,660			77,608		12,948	20.02%
669102 Recov.Train/Travel Exp.	5,996	9,054	151.0%	74,693	5,992	8.0%	(3,062)	-33.82%
669103 Recover Prem Rate Ad								
669106 Recover On Pur/Dir Exp	199,846	75,807	37.9%	117,652	61,130	52.0%	(14,677)	0.00%
669107 Recover Grant Costs		22,725	0.0%		0	0.0%	(22,725)	0.00%
669109 Recover Workers Comp Cost	343,634	92,644	27.0%	0	0	0.0%	(92,644)	-100.00%
669110 Recover W/C Subrogation	3,885	1,475	38.0%	0	0	0.0%	(1,475)	-100.00%
669111 Recover, Advance Interest								
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>\$8,216,086</b>	<b>\$4,098,778</b>	<b>49.9%</b>	<b>\$8,231,416</b>	<b>\$4,657,663</b>	<b>56.6%</b>	<b>558,885</b>	<b>13.64%</b>

	2002			2003			2002 VS. 2003 VARIANCE	
	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Budget Anticipations	Year-To-Date 30-Jun	% of Antic. Collected	Increase (Decrease)	% Change
<b>9 OTHER FINANCING SOURCES</b>								
<b>691101 Sale of Equipment</b>	<b>298,499</b>	<b>740,320</b>	<b>248.0%</b>	<b>192,940</b>	<b>10,614</b>	<b>5.5%</b>	<b>(729,706)</b>	<b>-98.57%</b>
691102 Sale of Land & Struc.								
691103 Comp.Of Loss-Fix Assets	73,939	26,715	36.1%	42,345	9,573	22.6%	(17,142)	-64.17%
692201 Recover Fringe Benefits	158,113	65,548	41.5%	108,390	49,986	46.1%	(15,562)	-23.74%
692202 Recover Indirect Costs	22,166,322	11,762,276	53.1%	24,086,273	16,642,848	69.1%	4,880,572	41.49%
692203 Indirect Costs, Prior								
692303 Recover Direct Cost	7,895,119	22,794	0.3%	6,832,798	104,482	1.5%	81,688	358.38%
692401 Oper. Trans. FM Fund 3P01		0			0			
692402 Oper. Trans. FM Fund 3P02		23,560		1,636,263	0		(23,560)	0.00%
692405 Oper. Trans. FM Fund 1B03	7,382,254	0	0.0%	8,639,511	0	0.0%	-	0.00%
692407 Oper. Trans. FM Fund 2M01								
694007 Spec-Non-Recurring Rev.								
692408 Oper. Trans. FM 2J01								
692410 Oper. Trans. FM Fund 2H01								
692419 Oper. Trans. FM Fund 1D51								
692420 Oper. Trans. FM Fund 1C22								
<b>699001 Business License</b>		<b>468,672</b>			<b>(401,438)</b>		<b>(870,110)</b>	<b>-185.65%</b>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$37,974,246</b>	<b>\$13,109,885</b>	<b>34.5%</b>	<b>\$41,538,520</b>	<b>\$16,416,065</b>	<b>39.5%</b>	<b>3,306,180</b>	<b>25.22%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$432,871,175</b>	<b>\$160,572,892</b>	<b>37.1%</b>	<b>\$414,590,890</b>	<b>\$160,402,402</b>	<b>38.7%</b>	<b>(170,490)</b>	<b>-0.11%</b>

**APPENDIX 2 – SUPPLEMENTAL SCHEDULES – EXPENDITURES  
(General Fund, Internal Service Fund, Traffic Court Fund)**

Schedule 1	Revenue and Expenditure Comparison
Schedule 2	Percentage of Budget Spent by Department
Schedule 3	Expenditures to Appropriations by Major Account Class
Schedule 4	Overtime Expenditures by Department
Schedule 5	Regular Salaries Comparison by Department

# SCHEDULE 1

## GENERAL FUND REVENUE AND EXPENDITURE COMPARISON

	1 <sup>ST</sup> Qtr. Revenue	2 <sup>nd</sup> Qtr. Revenue	TOTAL
2002	95,596,625	64,897,389	160,494,014
2003	84,679,325	75,643,467	160,322,792
<b>Increase/ (Decrease)</b>	<b>(10,917,300)</b>	<b>10,746,078</b>	<b>(171,222)</b>

	1 <sup>ST</sup> Qtr. Expenditures	2 <sup>nd</sup> Qtr. Expenditures	TOTAL
2002	94,688,707	101,354,456	196,043,163
2003	84,263,980	92,936,842	177,200,822
<b>Increase/ (Decrease)</b>	<b>(10,424,727)</b>	<b>(8,417,614)</b>	<b>(18,842,341)</b>

## SCHEDULE 2

**PERCENT EXPENDED  
COMPARISON BY DEPARTMENT  
THRU 6/30 2002-2003**

**GENERAL FUND**

<b>Department</b>	<b>2002 Appropriation</b>	<b>2002 Expenditure</b>	<b>% Exp</b>	<b>2003 Appropriation</b>	<b>2003 Expenditure</b>	<b>% Exp</b>
City Council	\$4,878,758	\$2,005,259	41.10%	\$5,775,884	\$1,934,631	33.49%
Executive Offices	4,091,317	2,026,352	49.53%	11,726,866	4,706,221	40.13%
Administrative Services	9,047,188	4,674,579	0.00%	0	19,430	0.00%
Department of Law	3,484,315	1,708,352	49.03%	4,156,628	1,434,622	34.51%
Department of Corrections	31,057,254	14,346,210	46.19%	30,646,848	10,301,288	33.61%
Department of Finance	8,011,294	4,841,287	60.43%	10,661,682	3,449,054	32.35%
Department of Procurement	0	0	0.00%	2,286,394	669,538	29.28%
Public Works	28,259,220	12,592,899	44.56%	26,751,912	11,387,116	42.57%
Parks, Recreation and Cultural Affairs	23,826,015	11,288,352	47.38%	22,084,358	10,037,927	45.45%
Judicial Agencies	14,836,782	7,504,978	50.58%	13,116,465	5,672,903	43.25%
Non-Departmental	117,670,110	40,424,824	34.35%	135,431,806	39,394,846	29.09%
Human Resources	4,214,011	1,809,788	42.95%	3,854,049	1,309,882	33.99%
Fire	55,708,223	26,874,662	48.24%	59,598,113	25,772,134	43.24%
Police	121,645,140	60,210,449	49.50%	129,244,769	56,498,972	43.71%
Planning & Community Development	11,637,305	5,735,172	49.28%	11,647,361	4,612,258	39.60%
<b>Total General Fund</b>	<b><u>\$438,366,932</u></b>	<b><u>\$196,043,163</u></b>	<b><u>44.72%</u></b>	<b><u>\$466,983,135</u></b>	<b><u>\$177,200,822</u></b>	<b><u>37.95%</u></b>

**INTERNAL SERVICE FUND**

<b>Department</b>	<b>2002 Appropriation</b>	<b>2002 Expenditure</b>	<b>% Exp</b>	<b>2003 Appropriation</b>	<b>2003 Expenditure</b>	<b>% Exp</b>
Administrative Services	24,400,080	14,624,529	59.94%	0	44,390	0.00%
Executive Offices	0	0	0.00%	18,458,610	9,846,602	53.34%
Information Technology	0	0	0.00%	10,122,415	4,391,304	43.38%
Department of Finance	71,332	27,272	38.23%	52,400	980	1.87%
Non-Departmental	1,330,773	1,302	0.10%	747,981	15,670	2.09%
<b>Total Internal Service Fund</b>	<b><u>\$25,802,185</u></b>	<b><u>\$14,653,103</u></b>	<b><u>56.79%</u></b>	<b><u>\$29,381,406</u></b>	<b><u>\$14,298,946</u></b>	<b><u>48.67%</u></b>

**TRAFFIC COURT FUND**

<b>Department</b>	<b>2002 Appropriation</b>	<b>2002 Expenditure</b>	<b>% Exp</b>	<b>2003 Appropriation</b>	<b>2003 Expenditure</b>	<b>% Exp</b>
Administrative Services	69,953,165	11,980,656	17.13%	0	0	0.00%
Executive Offices	0	0	0.00%	0	0	0.00%
Finance	1,230,204	1,223,015	0.00%	0	0	0.00%
Traffic Court Operations	12,529,440	6,042,519	48.23%	12,844,241	5,517,538	42.96%
Traffic Court Solicitor	2,190,446	1,091,446	49.83%	2,212,050	1,035,526	46.81%
Traffic Court Public Defender	1,287,707	659,203	51.19%	1,300,264	570,981	43.91%
<b>Total Traffic Court Fund</b>	<b><u>\$87,190,962</u></b>	<b><u>\$20,996,839</u></b>	<b><u>24.08%</u></b>	<b><u>\$16,356,555</u></b>	<b><u>\$7,124,045</u></b>	<b><u>43.55%</u></b>

**SCHEDULE 3**

**EXPENDITURE TO APPROPRIATION COMPARISON  
BY MAJOR CLASSIFICATION  
THRU 6/30 2002-2003**

**GENERAL FUND**

Description	Appropriation	2002	%	Appropriation	2003	%	2002 to 2003	%
		Thru 6/30 Expenditure	Expended		Thru 6/30 Expenditure	Expended	Increase Decrease	Change
51**** Personnel Expenses	270,109,302	135,343,245	50.11%	288,065,125	124,194,486	43.11%	(11,148,759)	-8.24%
52**** Other Operating Expenses	60,297,679	29,652,739	49.18%	59,499,331	28,460,182	47.83%	(1,192,557)	-4.02%
53**** Loans/Adv/Invest/Losses	-	(4,353)	0.00%	-	57,014	0.00%	61,367	-1409.76%
55**** Internal Service Expenses	16,221,597	8,316,680	51.27%	19,029,783	4,714,171	24.77%	(3,602,509)	-43.32%
56**** Intergovt/Interfund Exp.	38,580,839	14,933,006	38.71%	38,477,160	12,781,482	33.22%	(2,151,524)	-14.41%
57**** Capital Expenses	13,822,321	3,248,955	23.51%	8,972,558	1,851,968	20.64%	(1,396,987)	-43.00%
58**** Debt Service	23,250,256	4,552,891	19.58%	23,250,255	5,141,519	22.11%	588,628	12.93%
59**** Reserve for Appropriation	16,084,919	-	0.00%	29,688,923	-	0.00%	-	0.00%
<b>TOTAL GENERAL FUND</b>	<b>438,366,913</b>	<b>196,043,163</b>	<b>44.72%</b>	<b>466,983,135</b>	<b>177,200,822</b>	<b>37.95%</b>	<b>(18,842,341)</b>	<b>-9.61%</b>

**INTERNAL SERVICE FUND**

Description	Appropriation	2002	%	Appropriation	2003	%	2002 to 2003	%
		Thru 6/30 Expenditure	Expended		Thru 6/30 Expenditure	Expended	Increase Decrease	Change
51**** Personnel Expenses	13,191,661	7,364,849	55.83%	13,144,566	6,376,708	48.51%	(988,141)	-13.42%
52**** Other Operating Expenses	8,263,756	5,823,682	70.47%	13,122,737	6,529,045	49.75%	705,363	12.11%
53**** Loans/Adv/Invest/Losses	-	1,302	0.00%	-	-	0.00%	(1,302)	-100.00%
55**** Internal Service Expenses	2,689,177	1,462,533	54.39%	2,238,408	1,384,606	61.86%	(77,927)	-5.33%
56**** Intergovt/Interfund Exp.	326,817	-	0.00%	-	-	0.00%	-	0.00%
57**** Capital Expenses	-	737	0.00%	17,502	8,587	0.00%	7,850	0.00%
58**** Debt Service	-	-	0.00%	-	-	0.00%	-	0.00%
59**** Reserve for Appropriation	1,330,774	-	0.00%	858,193	-	0.00%	-	0.00%
<b>TOTAL INTERNAL SERVICE FUND</b>	<b>25,802,185</b>	<b>14,653,103</b>	<b>56.79%</b>	<b>29,381,406</b>	<b>14,298,946</b>	<b>48.67%</b>	<b>(354,157)</b>	<b>-2.42%</b>

**EXPENDITURE TO APPROPRIATION COMPARISON  
BY MAJOR CLASSIFICATION  
THRU 6/30 2002-2003**

**TRAFFIC COURT FUND**

Description	Appropriation	2002	%	Appropriation	2003	%	2002 to 2003	%
		Thru 6/30 Expenditure	Expended		Thru 6/30 Expenditure	Expended	Increase Decrease	Change
51**** Personnel Expenses	11,855,571	5,351,513	45.14%	12,132,414	4,980,223	41.05%	(371,290)	-6.94%
52**** Other Operating Expenses	58,167,652	13,570,003	23.33%	2,302,766	1,206,007	52.37%	(12,363,996)	-91.11%
53**** Loans/Adv/Invest/Losses	-	4,353	0.00%	-	-	0.00%	(4,353)	0.00%
55**** Internal Service Expenses	1,729,252	829,712	47.98%	1,548,507	724,874	46.81%	(104,838)	-12.64%
56**** Intergovt/Interfund Exp.	-	-	0.00%	-	-	0.00%	-	0.00%
57**** Capital Expenses	322,915	1,239,758	383.93%	372,868	212,941	57.11%	(1,026,817)	-82.82%
58**** Debt Service	-	1,500	0.00%	-	-	0.00%	(1,500)	0.00%
59**** Reserve for Appropriation	15,115,572	-	0.00%	-	-	0.00%	-	0.00%
<b>TOTAL TRAFFIC COURT FUND</b>	<b>87,190,962</b>	<b>20,996,839</b>	<b>24.08%</b>	<b>16,356,555</b>	<b>7,124,045</b>	<b>43.55%</b>	<b>(13,872,794)</b>	<b>-66.07%</b>

## SCHEDULE 4

SALARIES, OVERTIME  
THRU 6/30 2002-2003

## GENERAL FUND

Department	2002 Expenditure	2003 Expenditure	Difference	% Change
Executive Offices	0	6,509	\$6,509	0.00%
Administrative Services	27,649	0	(\$27,649)	-100.00%
Department of Law	632	0	(\$632)	-100.00%
Department of Corrections	324,246	168,218	(\$156,028)	0.00%
Department of Finance	11,979	4,350	(\$7,629)	-63.69%
Public Works	109,642	122,744	\$13,102	11.95%
Parks, Recreation and Cultural Affairs	7,088	48,246	\$41,158	580.67%
Judicial Agencies	6,336	704	(\$5,632)	-88.89%
Human Resources	0	0	\$0	0.00%
Fire Services	1,991,332	1,883,833	(\$107,499)	-5.40%
Police Services	1,812,663	1,078,261	(\$734,402)	-40.52%
Planning & Community Development	2,733	91	(\$2,642)	-96.67%
<b>Total General Fund</b>	<b><u>\$4,294,300</u></b>	<b><u>\$3,312,956</u></b>	<b><u>(\$981,344)</u></b>	<b><u>-22.85%</u></b>

## INTERNAL SERVICE FUND

Department	2002 Expenditure	2003 Expenditure	Difference	% Change
Administrative Services	95,908	0	(\$95,908)	-100.00%
Executive Offices	0	64,382	\$64,382	100.00%
Information Technology	0	0	\$0	0.00%
Department of Finance	0	0	\$0	0.00%
<b>Total Internal Service Fund</b>	<b><u>\$95,908</u></b>	<b><u>\$64,382</u></b>	<b><u>(\$31,526)</u></b>	<b><u>-32.87%</u></b>

## TRAFFIC COURT FUND

Department	2002 Expenditure	2003 Expenditure	Difference	% Change
Traffic Court Operations	14,019	57	(\$13,962)	-99.59%
Traffic Court Solicitor	1,852	0	(\$1,852)	-100.00%
Traffic Court Public Defender	0	0	\$0	0.00%
<b>Total Traffic Court Fund</b>	<b><u>\$15,871</u></b>	<b><u>\$57</u></b>	<b><u>(\$15,814)</u></b>	<b><u>-99.64%</u></b>

**SCHEDULE 5**

**SALARIES, REGULAR  
THRU 6/30 2002-2003**

**GENERAL FUND**

<b>Department</b>	<b>2002 Expenditure</b>	<b>2003 Expenditure</b>	<b>Difference</b>	<b>% Change</b>
City Council	\$978,500	\$931,367	(\$47,133)	-4.82%
Executive Offices	1,464,271	1,821,439	\$357,168	24.39%
Administrative Services	1,415,124	15,393	(\$1,399,731)	-98.91%
Law	1,249,497	1,052,403	(\$197,094)	-15.77%
Corrections	9,486,141	6,311,385	(\$3,174,756)	-33.47%
Finance	2,729,090	2,397,979	(\$331,111)	-12.13%
Procurement	0	487,065		
Public Works	5,425,106	4,474,908	(\$950,198)	-17.51%
Parks, Recreation and Cultural Affairs	5,256,973	4,161,802	(\$1,095,171)	-20.83%
Judicial Agencies	4,988,826	3,688,452	(\$1,300,374)	-26.07%
Non-Departmental	356,595	345,040	(\$11,555)	-3.24%
Human Resources	1,274,622	924,435	(\$350,187)	-27.47%
Fire Services	17,046,327	16,052,730	(\$993,597)	-5.83%
Police Services	38,047,404	37,424,969	(\$622,435)	-1.64%
Planning & Community Development	4,112,489	3,283,193	(\$829,296)	-20.17%
<b>Total General Fund</b>	<b><u>\$93,830,965</u></b>	<b><u>\$83,372,560</u></b>	<b><u>(\$10,945,470)</u></b>	<b><u>-11.67%</u></b>

**INTERNAL SERVICE FUND**

<b>Department</b>	<b>2002 Expenditure</b>	<b>2003 Expenditure</b>	<b>Difference</b>	<b>% Change</b>
Administrative Services	5,393,455	0	(\$5,393,455)	-100.00%
Executive Offices	0	3,227,027	\$3,227,027	100.00%
Information Technology	0	1,249,862	\$1,249,862	100.00%
Department of Finance	20,598	0	(\$20,598)	-100.00%
<b>Total Internal Service Fund</b>	<b><u>\$5,414,053</u></b>	<b><u>\$4,476,889</u></b>	<b><u>(\$937,164)</u></b>	<b><u>-17.31%</u></b>

**TRAFFIC COURT FUND**

<b>Department</b>	<b>2002 Expenditure</b>	<b>2003 Expenditure</b>	<b>Difference</b>	<b>% Change</b>
Traffic Court Operations	2,801,296	2,685,252	(\$116,044)	-4.14%
Traffic Court Solicitor	784,849	710,689	(\$74,160)	-9.45%
Traffic Court Public Defender	419,085	355,862	(\$63,223)	-15.09%
<b>Total Traffic Court Fund</b>	<b><u>\$4,005,230</u></b>	<b><u>\$3,751,803</u></b>	<b><u>(\$253,427)</u></b>	<b><u>-6.33%</u></b>

## APPENDIX 3 - AIRPORT REVENUE FUND

### MID YEAR BUDGET REVIEW - 2003

#### REVENUE CATEGORIES

The following is a summary of the Airport Revenue Fund revenue and expense variances, by major revenue category, comparing Second Quarter 2002 year to date actual revenues and expenses to Second Quarter 2003 year to date actual revenues and expenses with an explanation of the primary reasons for the variances. The City's budgeting procedures prohibit anticipation from being equal to or greater than the actual receipts of the previous year except for approved rate, fee or contractual increases. Typically, when summarizing Airport Revenues the focus is on five major categories. These five categories are Landing Fees, CPTC Rentals, CPTC Cost Recoveries, Concession Revenues, and Other Revenues. Total revenues for the second quarter of FY2003 were \$122.9 million, a decrease of \$1.6 million over the same period in FY2002.

**LANDING FEES:** Landing fees revenues increased by \$.146 million or 1% from the same period last year. This increase is attributable to the addition of two (2) AIP landing fee accounts.

**CPTC Rental:** Central Passenger Terminal Complex (CPTC) revenues decreased 3% or \$.849 million as compared to the same period last year. This is attributable to Concourse E airline providers receiving savings credit from the 2000 Bond.

**CPTC Cost Recoveries:** Receipts for this category decreased by \$1.2 million or 16% as a result of the timing of billings being sent out for the AGTS (Automated Guideway Transit System) invoices. The Department of Aviation credits are taken based on actual costs of AGTS **billed** invoices.

**Concession Revenues:** Concession revenues decreased \$1.9 million or 3% over the same period in the prior year. This decrease is attributable to a decline in passenger enplanements and downward economic trend. Some of the major revenue streams affected in this category are parking, inside concessions, car rentals, and public telephones.

**Other Revenues:** This revenue category increased by \$2.2 million or 12.7% over the same period in 2002. This category primarily consists of the Executive Conference Center, cargo enplanement, sale of timber, interest, etc. This increase is attributable to the reimbursement of funds from the Transportation Security Administration (TSA) for recovery of direct costs for additional security and an increase in ground rentals.

#### MAJOR EXPENSE ACCOUNTS

Total expenditures, including debt service, for the second quarter of FY2003 were \$96.5 million, an increase of \$3.6 million over the same period in FY2002. The following is a summary of Airport expense variances by major account group.

**Personnel Expenses** totaled \$22.4 million for the second quarter of 2003 verses \$21 million in 2002. This \$1.3 million or 6% increase is attributed to factors such as the creation of new positions, police and fire overtime and the reinstallation of salary increments.

**Other Operating Expenses** totaled \$15.4 million in the second quarter of 2003 representing a \$1.6 million decrease over the \$17.1 million for the same period in 2002. Typically there are several factors that contributed to this variance, but the point of focus is on three major accounts: Supplies, Service/Repair/Maintenance and Consultant/Professional Services. The decrease is attributable to the reduction of operating expenses across the board particularly in consultant services and travel.

**Internal Service Expenses** total \$2.2 million in the second quarter of 2003 representing a \$.122 million increase over the \$2.1 million for the same period in 2002, which represent a 6% increase. The General Fund determines billing from this expense category. The estimated expense for FY2003 is \$8.5 million.

**Debt Service Expenses** for the second quarter of 2003 were \$52.2 million that represent a \$1.9 million increase over 2002 total of \$50.3 million. The aforementioned expenses are set by the “Debt Service Requirement” schedule of the most recent Official Statement. In April 2000, the City of Atlanta on behalf of the Airport issued GARBs (General Airport Revenue Bonds) in the amount of \$1,010,235,000. The Series 2000 bonds were issued pursuant to a Restated and Amended Master Bond Ordinance adopted by Atlanta City Council in March 2000. In October 2002, the City of Atlanta on behalf of the Airport issued BANs (Bond Anticipation Notes) in the amount of \$300,000,000.

## **SUMMARY**

Historically, Airport revenues well exceed expenses. The tragic events of September 11, 2001 continue to have a slight effect on the Airport. The Airport continues to receive assistance from the Transportation Security Administration (TSA) to help offset increased expenses for additional external security personnel.

**AIRPORT REVENUE FUND  
PERCENT EXPENDED & ENCUMBERED  
COMPARISON BY DEPARTMENT  
THRU 6/30 2003 & 2002**

	2003					2002				
	Approp.	Expend.	Encum.	% Exp	% Exp & Enc	Approp.	Expend.	Encum.	% Exp	% Exp & Enc
Office of Mayor	\$ 101,919	\$ 42,597	-	41.79%	41.79%	\$ 345,699	\$ 129,063	-	37.33%	37.33%
Administrative Services	433,344	138,705	-	32.01%	32.01%	256,632	91,625	-	35.70%	35.70%
Law	954,903	212,764	22,708	22.28%	24.66%	720,117	270,812	21,052	37.61%	40.53%
Finance	222,257	83,876	979	37.74%	38.18%	231,576	90,660	249	39.15%	39.26%
Aviation	69,433,027	23,096,150	5,220,423	33.26%	40.78%	71,820,854	25,261,919	6,752,070	35.17%	44.57%
Non-Departmental	127,242,844	59,248,424	-	46.56%	46.56%	128,041,850	54,620,971	1,707	42.66%	42.66%
Human Resources	90,688	35,356	-	38.99%	38.99%	89,039	72,397	-	81.31%	81.31%
Fire Services	15,906,089	7,063,428	16,143	44.41%	44.51%	15,629,561	7,094,662	39,232	45.39%	45.64%
Police Services	15,794,929	6,598,876	399,230	41.78%	44.31%	12,190,672	5,189,399	236,322	42.57%	44.51%
<b>TOTAL AIRPORT REVENUE FUND</b>	<b>\$ 230,180,000</b>	<b>\$ 96,520,176</b>	<b>\$ 5,659,483</b>	<b>41.93%</b>	<b>44.39%</b>	<b>\$ 229,326,000</b>	<b>\$ 92,821,508</b>	<b>\$ 7,050,632</b>	<b>40.48%</b>	<b>43.55%</b>

**AIRPORT REVENUE FUND**  
**Expenditure to Appropriation Comparison**  
**By Major Classification**  
**THRU 6/30 2003 & 2002**

		2003			2002			Increase (Decrease)	% Change
		Approp.	Expend.	% Exp	Approp.	Expend.	% Exp		
51****	Personnel Exp.	\$ 50,275,943	\$ 22,468,665	44.69%	\$ 45,720,566	\$ 21,086,617	46.12%	\$ 1,382,048	6.15%
52****	Other Oper. Exp.	56,547,305	15,426,361	27.28%	59,861,399	17,107,370	28.58%	(1,681,009)	-10.90%
53****	Loss-Sale of Invest.	10,000	17,469	174.69%	5,000	10,865	0.00%	6,604	37.80%
55****	Internal Service Exp.	9,356,780	5,277,781	56.41%	8,572,525	4,246,916	49.54%	1,030,865	19.53%
56****	Intergov./Interfund	26,000	-	0.00%	105,000	16,100	0.00%	(16,100)	0.00%
57****	Capital Exp.	300,000	1,067,249	0.00%	-	-	0.00%	1,067,249	0.00%
58****	Debt Svc.	104,525,274	52,262,646	50.00%	100,707,269	50,353,637	50.00%	1,909,009	3.65%
59****	Reserve for Approp.	9,138,698	-	0.00%	14,354,241	-	0.00%	-	0.00%
<b>TOTAL AIRPORT REVENUE FUND</b>		<b>\$ 230,180,000</b>	<b>\$ 96,520,171</b>	<b>41.93%</b>	<b>\$ 229,326,000</b>	<b>\$ 92,821,505</b>	<b>40.48%</b>	<b>\$ 3,698,666</b>	<b>3.83%</b>

**AIRPORT REVENUE FUND  
RECEIPTS TO ANTICIPATIONS BY CLASSIFICATIONS**

<b>Description</b>	<b>2003 Anticipations</b>	<b>6/30/03 Actual</b>	<b>Actual to Anticipation</b>	<b>2002 Anticipations</b>	<b>6/30/02 Actual</b>	<b>Actual to Anticipation</b>
Landing Fees	\$ 24,200,000	\$ 13,278,619	54.87%	\$ 23,500,000	\$ 13,132,302	55.88%
CPTC Rental	45,440,000	24,562,504	54.05%	45,150,000	25,412,379	56.28%
CPTC Cost Recoveries	13,950,000	7,862,323	56.36%	13,950,000	9,150,336	65.59%
Concession Revenues	120,175,000	59,202,921	49.26%	120,700,000	61,112,531	50.63%
Other Revenues	26,415,000	18,001,995	68.15%	26,026,000	15,715,447	60.38%
<b>TOTAL AIRPORT REVENUE FUND</b>	<b>\$ 230,180,000</b>	<b>\$ 122,908,362</b>	<b>53.40%</b>	<b>\$ 229,326,000</b>	<b>\$ 124,522,995</b>	<b>54.30%</b>

**AIRPORT REVENUE FUND  
RECEIPTS BY CLASSIFICATION**

	<b>YTD 6/30/03 Actual</b>	<b>YTD 6/30/02 Actual</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Landing Fees	\$ 13,278,619	\$ 13,132,302	\$ 146,317	1.10%
CPTC Rental	24,562,504	25,412,379	(849,875)	-3.46%
CPTC Cost Recoveries	7,862,323	9,150,336	(1,288,013)	-16.38%
Concession Revenues	59,202,921	61,112,531	(1,909,610)	-3.23%
Other Revenues	18,001,995	15,715,447	2,286,548	12.70%
<b>TOTAL AIRPORT REVENUE FUND</b>	<b>\$ 122,908,362</b>	<b>\$ 124,522,995</b>	<b>\$ (1,614,633)</b>	<b>-1.31%</b>

**AIRPORT REVENUE FUND  
SALARIES, REGULAR  
THRU 6/30 EXPENSE COMPARISON**

Department/Agency	2003 Expenditures	2002 Expenditures	Increase (Decrease)	% Change
Office of Mayor	\$ 34,993	\$ 106,637	\$ (71,644)	-204.74%
Administrative Services	111,375	73,442	37,933	34.06%
Law	136,296	125,234	11,062	8.12%
Finance	66,849	69,443	(2,594)	-3.88%
Aviation	6,374,910	6,380,085	(5,175)	-0.08%
Non-Departmental	29,995	27,139	2,856	9.52%
Human Resources	28,578	56,502	(27,924)	-97.71%
Fire Services	4,385,844	4,053,073	332,771	7.59%
Police Services	3,177,617	2,912,207	265,410	8.35%
<b>TOTAL AIRPORT REVENUE FUND</b>	<b>\$ 14,346,457</b>	<b>\$ 13,803,762</b>	<b>\$ 542,695</b>	<b>3.78%</b>

**AIRPORT REVENUE FUND  
SALARIES, OVERTIME  
THRU 6/30 EXPENSE COMPARISON**

Department/Agency	2003 Expenditures	2002 Expenditures	Increase (Decrease)	% Change
Office of Mayor	\$ -	\$ -	\$ -	0.00%
Administrative Services	-	-	-	0.00%
Law	-	-	-	0.00%
Finance	-	-	-	0.00%
Aviation	394,157	424,529	(30,372)	-7.71%
Non-Departmental	-	-	-	0.00%
Human Resources	-	808	(808)	-100.00%
Fire Services	650,765	941,153	(290,388)	-44.62%
Police Services	669,942	659,477	10,465	1.56%
<b>TOTAL AIRPORT REVENUE FUND</b>	<b>\$ 1,714,864</b>	<b>\$ 2,025,967</b>	<b>\$ (311,103)</b>	<b>-18.14%</b>

## **APPENDIX 4 – WATER AND WASTEWATER REVENUE FUND**

### **MID YEAR BUDGET REVIEW - 2003**

Findings of the Water and Wastewater Revenue Fund review are based on information found in the following schedules: Expenditure to Appropriation Comparison; Expenditures by Classifications; Regular Salaries Expense Comparison; Overtime Salaries Expense Comparison; and Receipts by Classification.

#### **EXPENDITURE TO APPROPRIATION COMPARISON**

The percentage of actual expenditures to appropriations for the second quarter of 2003 was 29.68%. The percentage is 2.10% greater than the 27.58% experienced through the second quarter of 2002.

#### **EXPENDITURES BY CLASSIFICATION:**

Expenditures in the Water and Wastewater Revenue Fund are up \$8,668,969 or 2.10% for the second quarter of 2003.

- **Personnel Expenses** increased 12.72% due to increases in Regular Salaries, Pension and Health Insurance. This increase is primarily due to the addition of street sweepers, two Deputy Commissioners in the Department of Watershed Management, new hires in the new Bureau of Drinking Water and a Deputy Commissioner of the Department of Procurement as well as an increase in the cost of fringe benefits.
- **Other Operating Expenses** increased by 3.70% over the same period in 2002 due to various contracting issues such as the Biosolids Handling contract in the Bureau of Wastewater Services (\$1.7 million) which was not executed until the second half of 2002. In addition, the Bureau of Water was compelled to contract for certain services after the United Water contract was discontinued by the City. Also, the Bureau of Water reflects increased consultant cost resulting from the timing of payments to United Water Services (\$.9 million) and mobilization after the discontinuance of the management contract (\$1.1 million). These increased costs were partially offset by reduced utility costs (\$2.6 million).
- **Internal Service Expenses** increased by 55.58% over the same period in 2002. This increase is due to an increase in departmental wide indirect costs which is currently under review.
- **Interfund Expenses** are down due to the reclassification of payments made to the Metropolitan North Georgia Planning District for the City's membership in the Atlanta Regional Commission. These expenses are currently being charged as an expense to the membership account.

## **PERCENT EXPENDED AND ENCUMBERED**

The percent of actual expenditures and encumbrances to appropriations through the second quarter of 2003 was 34.48%. This percentage is 3.94% less than the 38.42 % incurred through the second quarter of 2002.

## **SALARIES, REGULAR AND OVERTIME**

Regular Salaries increased by 17.83% primarily due to the following additions to the Water and Wastewater Revenue Fund:

- ❖ Street Sweepers transferred from the Solid Waste Fund to the Water and Wastewater Revenue Fund
- ❖ Deputy Commissioners in the Department of Watershed Management
- ❖ New hires in the Bureau of Drinking Water
- ❖ Deputy Commissioner in the Department of Procurement

## **RECEIPTS BY CLASSIFICATION**

Revenues in the Water and Wastewater Revenue Fund increased by \$2,116,037 or 2.45% over the same period in 2002.

- **Charges for Services** are up 3.86% over the first six months of 2002 due to City of Atlanta actions to collect on current delinquent water and sewer accounts and the reflection of the 2003 rate increase. Specifically, the primary increase is in the collection of sewer accounts.
- **Miscellaneous Revenues** are down from 2002 due to a decrease in interest earned in the first quarter of 2003. Interest income is the primary component of this category.
- **Other Financing Sources** are up 57.72% primarily due to the receipts of \$285,755 from United Water Services for engineering and inspection personnel to monitor United Water services on behalf of the Department of Watershed Management.

**Water and Wastewater Revenue Fund**  
Statement of Excess(Deficit) of Revenue over Expenditures  
For the Years Period Ending June 30, 2002 and 2003

	As of 30-Jun 2003	As of 30-Jun 2002	Excess(Deficit) of Revenue and Expenditures	% Change
Revenue	88,432,306	86,316,269	2,116,037	2%
Expenditures	<u>57,904,828</u>	<u>49,235,859</u>	<u>8,668,969</u>	<u>15%</u>
Net	<u>30,527,478</u>	<u>37,080,410</u>	<u>(6,552,932)</u>	<u>-13%</u>

Receipts By Classifications  
**Water and Sewerage Revenue Fund**

Description	2003 YTD Actual	2002 YTD Actual	Increase (Decrease)	% Change
Charges for Service	86,818,137	83,593,086	3,225,051	3.86%
Intergovernmental	458,205	1,155,200	(696,995)	100.00%
Miscellaneous Revenues	364,710	1,066,290	(701,580)	-65.80%
Other Financing Sources	<u>791,254</u>	<u>501,693</u>	<u>289,561</u>	<u>57.72%</u>
<b>Total</b>	<u><u>88,432,306</u></u>	<u><u>86,316,269</u></u>	<u><u>2,116,037</u></u>	<u><u>2.45%</u></u>

**Receipts to Anticipations By Classifications**  
**Water and Sewerage Revenue Fund**

<b>Description</b>	<b>2003 Anticipations</b>	<b>6/30/03 Actual</b>	<b>Actual to Anticipation</b>	<b>2002 Anticipations</b>	<b>6/30/02 Actual</b>	<b>Actual to Anticipation</b>
Intergovernmental	2,723,735	458,205	16.82%	-	1,155,200	100.00%
Charges for Service	190,943,579	86,818,137	45.47%	174,646,448	83,593,086	47.86%
Miscellaneous Revenues	-	364,711	100.00%	-	1,066,290	100.00%
Other Financing Sources	<u>900,000</u>	<u>791,254</u>	<u>87.92%</u>	<u>720,000</u>	<u>501,693</u>	<u>69.68%</u>
<b>Total</b>	<u><u>194,567,314</u></u>	<u><u>88,432,307</u></u>	<u><u>45.45%</u></u>	<u><u>175,366,448</u></u>	<u><u>86,316,269</u></u>	<u><u>49.22%</u></u>

**Expenditure to Appropriation Comparison  
By Major Classification  
For the Period January 1, 2003 through June 30, 2003**

## WATER & WASTEWATER REVENUE FUND

								2002 vs 2003	
		Appropriation	Expenditures thru 6/30/03	% Expended	Appropriation	Expenditures thru 6/30/02	% Expended	Increase (Decrease)	2002 vs 2003 % Change
51****	Personnel Expenses	39,634,180	19,423,769	49.01%	36,151,249	16,953,648	46.90%	2,470,121	12.72%
52****	Other Operating Expenses	74,650,218	28,986,239	38.83%	67,953,235	27,912,328	41.08%	1,073,911	3.70%
52****	Loans/Adv/Invest/Losses	25,000	34,762	139.05%	-	18,372	0.00%	16,390	0.00%
55****	Internal Service Expenses	9,102,535	9,456,790	103.89%	9,409,804	4,200,540	44.64%	5,256,250	55.58%
56****	Intergovernmental/Interfund	1,771,092	500	0.03%	10,866,352	150,971	1.39%	(150,471)	-30094.20%
57****	Capital Expenses	-	2,768	100.00%	89,024	-	0.00%	2,768	0.00%
58****	Debt Service	56,062,963	-	0.00%	38,456,004	-	0.00%	-	100.00%
59****	Reserve for Appropriation	13,821,326	-	0.00%	15,581,096	-	0.00%	-	0.00%
Total		<u>195,067,314</u>	<u>57,904,828</u>	<u>29.68%</u>	<u>178,506,764</u>	<u>49,235,859</u>	<u>27.58%</u>	<u>8,668,969</u>	<u>14.97%</u>

**Expenditure to Appropriation Comparison  
By Major Classification  
For the Period January 1, 2003 through June 30, 2003**

## WATER & WASTEWATER RENEWAL AND EXTENSION FUND

								2002 vs 2003	
		Appropriation	Expenditures thru 6/30/03	% Expended	Appropriation	Expenditures thru 6/30/02	% Expended	Increase (Decrease)	2002 vs 2003 % Change
51****	Personnel Expenses	11,339,775	5,545,776	48.91%	8,741,574	3,975,414	45.48%	1,570,362	28.32%
52****	Other Operating Expenses	40,728,528	4,790,345	11.76%	28,837,194	5,112,651	17.73%	(322,306)	-6.73%
52****	Loans/Adv/Invest/Losses	-	101,208	-100.00%	-	62,471	-100.00%	38,737	0.00%
55****	Internal Service Expenses	831,726	392,093	47.14%	825,477	360,283	43.65%	31,810	8.11%
56****	Intergovernmental/Interfund	6,146,141	-	0.00%	21,242,854	5,000,000	23.54%	(5,000,000)	-100.00%
57****	Capital Expenses	61,500,569	5,730,697	100.00%	64,635,561	12,386,231	19.16%	(6,655,534)	-116.14%
58****	Debt Service	-	-	0.00%	-	-	0.00%	-	0.00%
59****	Reserve for Appropriation	-	-	0.00%	-	-	0.00%	-	0.00%
Total		<u>120,546,739</u>	<u>16,560,119</u>	<u>13.74%</u>	<u>124,282,660</u>	<u>26,897,050</u>	<u>21.64%</u>	<u>(10,336,931)</u>	<u>-62.42%</u>

**Percent Expended and Encumbered  
Comparison by Department  
For the Period January 1 through June 30, 2003**

**WATER AND SEWERAGE REVENUE FUND**

	<u>Appropriation</u>	<u>Expenditure</u>	2003 <u>Encumbrance</u>	% <u>Exp</u>	% <u>Exp &amp; Enc</u>	<u>Appropriation</u>	<u>Expenditure</u>	2002 <u>Encumbrance</u>	% <u>Exp</u>	% <u>Exp &amp; Enc</u>
Executive Offices	-	13,212	-	100.00%	100.00%	554,727	110,827	-	19.98%	19.98%
Procurement	290,364	54,015	-	18.60%	18.60%	139,480	64,227	-	46.05%	46.05%
Law	921,981	251,895	6,318	27.32%	28.01%	542,930	305,321	1,078	56.24%	56.43%
Finance	399,838	85,726	1,155	21.44%	21.73%	328,766	127,484	1,566	38.78%	39.25%
Public Work-Sweepers	879,174	310,984	-	35.37%	35.37%	-	-	-	0.00%	0.00%
Watershed Mgt	111,243,091	45,617,753	8,726,806	41.01%	48.85%	110,879,325	42,140,705	17,291,822	38.01%	53.60%
Human Resources	354,099	107,700	60	30.42%	30.43%	263,406	137,737	-	52.29%	52.29%
Planning & Comm. Devl.	194,147	51,551	-	26.55%	26.55%	176,760	87,998	60	49.78%	49.82%
Non-Departmental	<u>80,784,620</u>	<u>11,411,989</u>	<u>623,146</u>	<u>14.13%</u>	<u>14.90%</u>	<u>65,621,370</u>	<u>6,261,557</u>	<u>2,048,504</u>	<u>9.54%</u>	<u>12.66%</u>
Total	<u>195,067,314</u>	<u>57,904,825</u>	<u>9,357,485</u>	<u>29.68%</u>	<u>34.48%</u>	<u>178,506,764</u>	<u>49,235,856</u>	<u>19,343,030</u>	<u>27.58%</u>	<u>38.42%</u>

**Salaries, Overtime  
Through June 30, 2003 EXPENSE COMPARISION**

<b>Description</b>	<b>2003 Expenditures</b>	<b>2002 Expenditures</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Public Work-Sweepers	30,169	650,978	(620,809)	-95.37%
Watershed Mgt	<u>1,441,414</u>	<u>-</u>	<u>1,441,414</u>	<u>100.00%</u>
Total	<u><u>1,471,583</u></u>	<u><u>650,978</u></u>	<u><u>820,605</u></u>	<u><u>126.06%</u></u>

**Salaries, Regular**  
**Through June 30, 2003 EXPENSE COMPARISON**

<b>Description</b>	<b>2003 Expenditures</b>	<b>2002 Expenditures</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Executive Offices	11,711	93,058	(81,347)	-87.42%
Procurement	43,740	52,439	(8,699)	-16.59%
Law	434,547	160,530	274,017	170.70%
Finance	49,179	59,257	(10,078)	-17.01%
Public Work-Sweepers	207,825	-	207,825	100.00%
Watershed Mgt	11,922,497	10,302,983	1,619,514	15.72%
Human Resources	84,068	111,826	(27,758)	-24.82%
Planning & Comm. Devl.	42,832	71,234	(28,402)	-39.87%
Non-Departmental	<u>20,160</u>	<u>25,886</u>	<u>(5,726)</u>	<u>-22.12%</u>
<b>Total</b>	<u><u>12,816,559</u></u>	<u><u>10,877,213</u></u>	<u><u>1,939,346</u></u>	<u><u>17.83%</u></u>

## **APPENDIX 5 – SOLID WASTE SERVICES FUND**

### **MID YEAR BUDGET REVIEW - 2003**

Second quarter figures for the Solid Waste Revenue fund show reductions to both its operating revenue and expense accounts. Total revenues collected for the fund at mid-year 2003 is \$4.3 million compared to \$14.3 million last year. This represents a decrease of \$10.0 million or 70.0% for the period. Expenditures for the second quarter is \$20.2 million compared to \$22.6 million last year. This represents a decrease of \$2.3 million or 10.5% for the period.

#### **Revenue Accounts**

The reason for the revenue shortfall is due to the change from quarterly billing to annual billing. Prior to this year, the City performed both billing and collection of Solid Waste Services fees on a quarterly basis. It was decided that transferring the functions to the tax commissioners of Fulton and Dekalb Counties would increase collections, and help offset the \$15.3 million in operating losses that the fund has experienced for the two years it has operated as an Enterprise fund. Billing statements for the current year charges were mailed after the end of the second quarter and are due August 15 for Dekalb County and September 15 for Fulton County. In the future, both billings will be due on August 15.

The City has also referred 43,000 delinquent accounts estimated at \$23 million to a collection agency. A rate increase of \$50.00 effective July 1, 2003 is also expected to generate \$4.3 million in additional revenue.

#### **Expenditures**

Expenditures for the second quarter show a decline of \$2.3 million. This represents a decrease of 10.5% over last year. Most of the reduction was in personnel expenses of \$1,220,391 or 51% of the total. This is a result of staff reductions at the Bureau of Solid Waste and the Department of Finance at mid-year 2002.

Other expense groups that show decreases are the Other Operating and Capital expenses. Expenses in the Other Operating account group decreased by \$174,541 or 3% for the period due to service functions that were consolidated within the Bureau of Solid Waste and the Department of Finance.

Capital expenses decreased by \$381,547 or 24.1% for the period pending the development of a comprehensive capital plan.

The decrease in the debt service expense account of \$663,615 is the result of a delay in interest payment due from Solid Waste Service Revenue fund in the second quarter for its bond obligation.

The only expense account that showed an increase was Internal Services at \$53,152. This increase is the result of increased fleet maintenance at the Bureau of Solid Waste.

### **Summary**

Although anticipations are projected at \$55.6 million by year end to offset estimated operating expenses of \$42.2 million, the billing and collection rate of solid waste services fees will be critical to the financial solvency of this fund. Additionally, a host of initiatives have been formulated to address the financial and operational needs of the Solid Waste fund.

These initiatives include revising the current solid waste ordinance, conducting a comprehensive rate study, evaluating existing contracts, reviewing current operations, and developing a solid waste management plan. It is hoped that upon completion, the City will have in place a comprehensive management plan to operate and maintain an effective and efficient Solid Waste program.

**CITY OF ATLANTA**  
**2003 MID-YEAR BUDGET REVIEW**  
**QUARTERLY REVENUE TO EXPENSE COMPARISON**

<b>SOLID WASTE REVENUE FUND</b>	<b>2003 2nd Quarter</b>	<b>2002 2nd Quarter</b>	<b>2003 vs 2002 2nd Quarter</b>
<b>Total Revenues</b>	\$ 4,307,729	\$ 14,336,575	\$ (10,028,846)
<b>Total Expenditures</b>	\$ 20,200,955	\$ 22,587,899	\$ (2,386,944)
<b>Net</b>	<b>\$ (15,893,226)</b>	<b>\$ (8,251,324)</b>	<b>\$ (7,641,902)</b>

<b>REVENUES BY ACCOUNT</b>	<b>2003 2nd Quarter</b>	<b>2002 2nd Quarter</b>	<b>2003 vs 2002 2nd Quarter</b>
443301 Sanitary Service Current	\$ 12,069	\$ 3,042,917	\$ (3,030,848)
443302 Sanitary Service, Prior	\$ 3,924,925	\$ 11,652,027	\$ (7,727,102)
443304 San Serv Surcharge Res	\$ 2,024	\$ 1,924	\$ 100
443305 Incinerator/Landfill Disp	\$ 120	\$ 375	\$ (255)
4**** Miscellaneous	\$ 368,590	\$ (360,669)	\$ 7,921
<b>Total</b>	<b>\$ 4,307,729</b>	<b>\$ 14,336,575</b>	<b>\$ (10,028,846)</b>

<b>EXPENSES BY MAJOR ACCOUNT GROUP</b>	<b>2003 2nd Quarter</b>	<b>2002 2nd Quarter</b>	<b>2003 vs 2002 2nd Quarter</b>
71**** Personnel Service Expense	\$ 7,966,273	\$ 9,186,664	\$ (1,220,391)
72**** Other Operating Expense	\$ 6,107,839	\$ 6,282,380	\$ (174,541)
75**** Internal Service Expense	\$ 4,926,843	\$ 4,873,691	\$ 53,152
77**** Capital Expense	\$ 1,200,000	\$ 1,581,547	\$ (381,547)
78**** Debt Service Expense	\$ -	\$ 663,615	\$ (663,615)
<b>Total</b>	<b>\$ 20,200,955</b>	<b>\$ 22,587,897</b>	<b>\$ (2,386,942)</b>

**CITY OF ATLANTA**  
**2003 MID-YEAR BUDGET REVIEW**  
**QUARTERLY REVENUE ANTICIPATION TO RECEIPTS COMPARISON**

	2003			2002			2003 vs 2002	
<b>SOLID WASTE REVENUE FUND</b>	<b>Budgeted Anticipation</b>	<b>2nd Quarter 6/30/03</b>	<b>% of Antic. Collected</b>	<b>Budgeted Anticipation</b>	<b>2nd Quarter 6/30/03</b>	<b>% of Antic. Collected</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
443301 Sanitary Service Current	\$ 36,730,773	\$ 12,069	0%	\$ 30,134,406	\$ 3,042,917	10.1%	\$ (3,030,848)	-99.6%
443302 Sanitary Service, Prior	\$ 18,702,533	\$ 3,924,925	21.0%	\$ 4,950,000	\$ 11,652,027	235.4%	\$ (7,727,102)	-66.3%
443304 San Serv Surcharge Res	\$ -	\$ 2,024	0%	\$ -	\$ 1,924	0.0%	\$ 100	5.2%
443305 Incinerator/Landfill Disp	\$ -	\$ 120	0%	\$ -	\$ 375	0.0%	\$ (255)	-68.0%
492408 Operating Transfers Fr.Funds	\$ 250,000	\$ -	0%	\$ 1,500,000		0.0%	\$ -	0.0%
4***** Miscellaneous	\$ -	\$ 368,590	0%	\$ -	\$ (360,669)	0.0%	\$ 7,921	-2.2%
<b>Total</b>	<b>\$ 55,683,306</b>	<b>\$ 4,307,729</b>	<b>7.7%</b>	<b>\$ 36,584,406</b>	<b>\$ 14,336,575</b>	<b>39.2%</b>	<b>\$ (10,028,846)</b>	<b>-70.0%</b>

**CITY OF ATLANTA**  
**2003 MID-YEAR EXPENSE COMPARISON**  
**BY PERSONNEL LINE ITEM & MAJOR ACCOUNT GROUPS**

ACCT. #	ACCOUNT DESCRIPTION	2003 As of 6/30/03	2002 As of 6/30/02	Difference (2002-2001) Inc / Dec	% Change
711001	SALARIES, REGULAR	5,581,156	6,721,333	(1,140,177)	-17%
711002	SALARIES, OVERTIME	309,322	264,510	44,812	17%
711003	SALARIES, EXTRA HELP	21,141	142,924	(121,783)	-85%
715001	WORKER'S COMP. INC PAY	275,192	123,613	151,579	123%
<b>TOTAL SALARIES</b>		<b>\$ 6,186,811</b>	<b>\$ 7,252,380</b>	<b>\$ (1,065,569)</b>	<b>-14.7%</b>
717111	PEN CONT GEN EMP PEN FD	932,806	1,052,023	(119,217)	-11%
717211	GP LIFE INS CONT-EMP	3,007	3,625	(618)	-17%
717221	GP HEALTH INS CONT-EMP	776,960	796,264	(19,304)	-2%
717231	MEDICARE EXPENSES	66,689	82,372	(15,683)	-19%
<b>TOTAL BENEFITS</b>		<b>\$ 1,779,462</b>	<b>\$ 1,934,284</b>	<b>\$ (154,822)</b>	<b>-8.0%</b>
<b>71*****</b>	<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 7,966,273</b>	<b>\$ 9,186,664</b>	<b>\$ (1,220,391)</b>	<b>-13.3%</b>
72*****	OTHER OPERATING EXPENSES	6,107,839	6,282,380	(174,541)	-3%
73*****	LOANS/ADV/INVEST/LOSSES	-	-	-	
75*****	INTERNAL SERVICE EXPENSES	4,926,843	4,873,691	53,152	1%
76*****	INTERGOVT/INTERFUND EXP.	-	-	-	
77*****	CAPITAL EXPENSES	1,200,000	1,581,547	(381,547)	-24%
78*****	DEBT SERVICE EXPENSES	-	663,615	(663,615)	-
79*****	RESERVE FOR APPROPRIATION	-	-	-	-
<b>TOTAL ALL. OTHER</b>		<b>\$ 12,234,682</b>	<b>\$ 13,401,233</b>	<b>\$ (1,166,551)</b>	<b>-8.7%</b>
<b>GRAND TOTAL :</b>		<b>\$ 20,200,955</b>	<b>\$ 22,587,897</b>	<b>\$ (2,386,942)</b>	<b>-10.6%</b>

**DEPARTMENT OF PUBLIC WORKS  
2003 MID -YEAR EXPENSE COMPARISON  
BUREAU OF SOLID WASTE SERVICES**

ACCT. #	ACCOUNT DESCRIPTION	2003 Total Appropriation	2003 As of 6/30/03	% of Approp. Spent	2002 Total Appropriation	2002 As of 6/30/02	% of Approp. Spent
711001	SALARIES, REGULAR	11,569,637	5,289,866	45.7%	11,117,240	6,357,281	57.2%
711002	SALARIES, OVERTIME	378,323	309,322	81.8%	1,009,468	262,743	26.0%
711003	SALARIES, EXTRA HELP	-	21,141	-100.0%	213,050	141,011	66.2%
715001	WORKER'S COMP. INC PAY	239,776	-	0.0%	201,073	139	0.1%
<b>TOTAL SALARIES</b>		<b>12,187,736</b>	<b>\$ 5,620,329</b>	<b>46%</b>	<b>12,540,831</b>	<b>\$ 6,761,174</b>	<b>53.9%</b>
717111	PEN CONT GEN EMP PEN FD	1,712,305	871,887	50.9%	1,473,816	996,661	67.6%
717211	GP LIFE INS CONT-EMP	6,942	2,863	41.2%	7,208	3,470	48.1%
717221	GP HEALTH INS CONT-EMP	1,309,682	741,038	56.6%	1,109,313	758,953	68.4%
717231	MEDICARE EXPENSES	122,639	62,860	51.3%	127,338	77,306	60.7%
<b>TOTAL BENEFITS</b>		<b>3,151,568</b>	<b>\$ 1,678,648</b>	<b>53.3%</b>	<b>2,717,675</b>	<b>\$ 1,836,390</b>	<b>67.6%</b>
71****	<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 15,339,304</b>	<b>\$ 7,298,977</b>	<b>47.6%</b>	<b>\$ 15,258,506</b>	<b>\$ 8,597,564</b>	<b>56.3%</b>
72*****	OTHER OPERATING EXPENSES	10,571,762	5,133,247	48.6%	10,594,685	6,001,887	56.6%
73*****	LOANS/ADV/INVEST/LOSSES	-	-	-	-	-	-
75*****	INTERNAL SERVICE EXPENSES	5,414,392	4,911,306	90.7%	7,731,829	4,873,691	63.0%
76*****	INTERGOVT/INTERFUND EXP.	-	-	-	-	-	-
77*****	CAPITAL EXPENSES	1,200,000	1,200,000	100.0%	1,684,724	1,581,547	93.9%
78*****	DEBT SERVICE EXPENSES	-	-	-	-	-	-
79*****	RESERVE FOR APPROPRIATION	-	-	-	-	-	-
<b>TOTAL ALL. OTHER</b>		<b>\$ 17,186,154</b>	<b>\$ 11,244,553</b>	<b>65.4%</b>	<b>20,011,238</b>	<b>\$ 12,457,125</b>	<b>62.3%</b>
<b>GRAND TOTAL :</b>		<b>\$ 32,525,458</b>	<b>\$ 18,543,530</b>	<b>57.0%</b>	<b>\$ 35,269,744</b>	<b>\$ 21,054,689</b>	<b>59.7%</b>

DEPARTMENT OF FINANCE  
2003 MID -YEAR EXPENSE COMPARISON  
BUREAU OF TREASURY

ACCT. #	ACCOUNT DESCRIPTION	2003 Total Appropriation	2003 As of 6/30/03	% of Approp. Spent	2002 Total Appropriation	2002 As of 6/30/02	% of Approp. Spent
711001	SALARIES, REGULAR	492,499	284,145	57.7%	690,742	364,052	52.7%
711002	SALARIES, OVERTIME	-	-		-	-	
711003	SALARIES, EXTRA HELP	-	-		-	-	
715001	WORKER'S COMP. INC PAY	-	-		-	-	
	<b>TOTAL SALARIES</b>	492,499	\$ 284,145	58%	690,742	\$ 364,052	52.7%
717111	PEN CONT GEN EMP PEN FD	72,890	42,288	58.0%	84,726	55,362	65.3%
717211	GP LIFE INS CONT-EMP	295	141	47.8%	391	155	39.6%
717221	GP HEALTH INS CONT-EMP	55,751	35,639	63.9%	62,567	37,311	59.6%
717231	MEDICARE EXPENSES	5,220	3,829	73.4%	6,909	5,066	73.3%
	<b>TOTAL BENEFITS</b>	134,156	\$ 81,897	61.0%	154,593	\$ 97,894	63.3%
71*****	<b>TOTAL PERSONNEL SERVICES</b>	\$ 626,655	\$ 366,042	58.4%	\$ 845,335	\$ 461,946	54.6%
72*****	OTHER OPERATING EXPENSES	545,000	33,288	6.1%	-	117,593	-117.6%
73*****	LOANS/ADV/INVEST/LOSSES	-	-		-	-	
75*****	INTERNAL SERVICE EXPENSES	-	-		-	-	
76*****	INTERGOVT/INTERFUND EXP.	-	-		-	-	
77*****	CAPITAL EXPENSES	-	-		-	-	
78*****	DEBT SERVICE EXPENSES	-	-		-	-	
79*****	RESERVE FOR APPROPRIATION	-	-		-	-	
	<b>TOTAL ALL. OTHER</b>	\$ 545,000	\$ 33,288	6.1%	-	\$ 117,593	-117.6%
	<b>GRAND TOTAL :</b>	\$ 1,171,655	\$ 399,330	34.1%	\$ 845,335	\$ 579,539	68.6%

**NON DEPARTMENTAL  
2003 MID -YEAR EXPENSE COMPARISON**

ACCT. #	ACCOUNT DESCRIPTION	2003 Total Appropriation	2003 As of 6/30/03	% of Approp. Spent	2002 Total Appropriation	2002 As of 6/30/02	% of Approp. Spent
715001	WORKER'S COMP. INC PAY	-	275,192	-275.2%	-	123,474	-123.5%
	<b>TOTAL SALARIES</b>	-	\$ 275,192	-275.2%	-	\$ 123,474	-123.5%
724102	W/C - SERVICE PROVIDER	300,000	494,959	165.0%	-	151,351	-151.4%
727006	EMPLOYEE REHAB. COST	1,000	-	0.0%	-	281	-0.3%
727008	EMP REIMB WC MEDICAL	7,000	4,657	66.5%	-	2,965	-3.0%
729010	REFUNDS	184,463	40,864	22.2%	-	-	-
729017	PROPERTY/ LIQUIDATION	100,000	77,844	77.8%	-	8,303	-8.3%
729032	INTEREST EXPENSE	-	322,980	-323.0%	-	-	-
	<b>OTHER OPERATING EXPENSE</b>	592,463	\$ 941,304	158.9%	-	\$ 162,900	-162.9%
759001	INDIRECT COST	3,894,743	-	0.0%	-	-	-
762001	INTERFUND OPERATING TRANS	15,537	15,537	100.0%	-	-	-
782007	PRINCIPAL DUE	855,000	-	0.0%	820,000	-	0.0%
783003	INTEREST DUE, JUNE 1	1,292,230	-	0.0%	-	-	-
786003	INTEREST DUE	-	-	0.0%	1,327,230	663,615	50.0%
	<b>DEBT SERVICE EXPENSE</b>	2,147,230	-	-	2,147,230	663,615	30.9%
	<b>GRAND TOTAL :</b>	<b>\$ 6,649,973</b>	<b>\$ 1,232,033</b>	<b>18.5%</b>	<b>\$ 2,147,230</b>	<b>\$ 949,989</b>	<b>44.2%</b>

## APPENDIX 6 – CIVIC CENTER REVENUE FUND

### MID YEAR BUDGET REVIEW - 2003

The following is a summary of the Civic Center revenue and expense variances. This summary compares 2nd Quarter 2003 YTD actual revenue and expenses to 2nd Quarter 2002 YTD actual revenue and expenses, with an explanation of the primary reasons for the variances.

#### REVENUE ACCOUNTS

**Miscellaneous Revenues:** Revenue for the Civic Center has increased by 21%, for the 2nd Quarter of 2003 in comparison to the 2nd Quarter of 2002. A portion of this increase is due primarily to an increase in building rentals, land rentals and concessions. The Civic Center also received a refund of \$15,536.64 for erroneous sanitation billing during the year of 2002.

#### EXPENSE ACCOUNTS

**Personnel Expenses:** The Civic Center had a net decrease of 1% in personnel expenses for the 2nd Quarter for FY 2003. This is primarily due to having to eliminate two (2) maintenance positions and creating one (1) accounting position for the 2003 budget year.

**Other Operating Expenses:** Operating expenses increased by 1% for the Civic Center. This increase is primarily due to an increase in the Service/Repair/Maintenance contracts for the upkeep and general repairs throughout the Civic Center. The Civic Center is currently running the risk of not being able to operate for the remainder of the year. The risk, that the Civic Center faces, is primarily due to contracts that will cost approximately \$144,628.00 of unbudgeted expenses. Another reason for the shortfall is due to the Civic Center losing a lawsuit with their catering contract. The Civic Center has numerous reasons why they are struggling to maintain their financial stability. The Finance Department is currently assisting the Civic Center in finding solutions to relieve them of its financial stress.

**Internal Service Expense:** There is a 25% increase in Internal Service expenditures. These are charges mainly due to Indirect Cost, Fuel and Motor Equipment Repairs associated with the City of Atlanta. Since this is the second year that the Civic Center is operating as an Enterprise Fund, these cost were not incurred in the past. After further review, of the Indirect Costs charges, it is determined that the Civic Center is being charged inappropriately. Currently communication, with the Bureau of Accounting, is being conducted to determine if the Civic Center is being charged appropriately for indirect costs. The Civic Center was refunded \$29,067.74, but it was recorded to an account that the Civic Center cannot use for the current 2003-budget year.

**Capital Expense:** The Civic Center has not incurred any capital expenditures for the 2nd Quarter of FY 2003.

## **SUMMARY**

Legislation was adopted for the year 2003 budget to place the Civic Center in the proper Enterprise Fund (2R01). Revenues are expected to be greater for FY 2003 than any year in the past. Solutions to properly state Indirect Costs for the Civic Center for the 2003 budget are being researched. Considering the state of the Civic Center at the beginning of 2002, it has been determined that the Civic Center will be in a better position financially once all avenues are explored in recovering their losses. The Civic Center is currently exploring other avenues to better manage the expenses that are associated with large/long running shows such as “The Lion King” and “Showtime At The Apollo”.

**CIVIC CENTER**  
**PERCENT EXPENDED TO APPROPRIATION COMPARISON**  
**BY MAJOR CLASSIFICATION**  
**THRU 6/30/ 2003 & 2002**

		2003			2002				
		Approp.	Expend.	% Exp	Approp.	Expend.	% Exp	Increase (Decrease)	% Change
51****	Personnel	\$ 645,417	\$ 328,347	50.87%	\$ 671,585	\$ 333,140	49.61%	\$ (4,793)	-1.46%
52****	Other Operating Expenses	552,865	295,638	53.47%	657,160	295,872	45.02%	(234)	-0.08%
53****	Loss/Sale of Investment	-	308	N/A	-	109	N/A	199	64.61%
55****	Internal Service Expense	10,598	110,738	1044.90%	7,221	82,975	1149.08%	27,763	25.07%
56****	Intergovt/Interfund Expense	-	-	N/A	-	-	N/A	0	N/A
57****	Capital Expense	-	-	N/A	117,173	3,000	2.56%	(3,000)	N/A
<b>TOTAL CIVIC CENTER REVENUE FUND</b>		<b>\$ 1,208,880</b>	<b>\$ 735,031</b>	<b>60.80%</b>	<b>\$ 1,453,139</b>	<b>\$ 715,097</b>	<b>49.21%</b>	<b>\$ 19,934</b>	<b>2.71%</b>

**CIVIC CENTER  
PERCENT EXPENDED & ENCUMBERED  
COMPARISON BY DEPARTMENT  
THRU 6/30/2003 & 2002**

	2003					2002				
	Approp.	Expend.	Encum.	% Exp	% Exp & Enc	Approp.	Expend.	Encum.	% Exp	% Exp & Enc
Civic Center	\$1,208,880	\$785,695	\$146,035	64.99%	77.07%	1,453,139	715,097	47,076	49.21%	52.45%
<b>TOTAL CIVIC CENTER REVENUE FUND</b>	<b>\$1,208,880</b>	<b>\$785,695</b>	<b>\$146,035</b>	<b>64.99%</b>	<b>77.07%</b>	<b>\$1,453,139</b>	<b>\$715,097</b>	<b>\$47,076</b>	<b>49.21%</b>	<b>52.45%</b>

**2003 RECEIPTS TO ANTICIPATIONS BY CLASSIFICATIONS**  
**CIVIC CENTER REVENUE FUND**  
**Thru 6/30/2003**

<b>Description</b>	<b>2003 Anticipations \$</b>	<b>6/30/03 Actual \$</b>	<b>Actual to Anticipation</b>	<b>2002 Anticipations \$</b>	<b>6/30/02 Actual \$</b>	<b>Actual to Anticipation</b>
Cash Carry Forward	-	-	N/A	223,967	-	0.00%
Civic Center Fees	180,000	176,706	98.17%	202,611	196,303	96.89%
Interest Earnings	487,530	2,207	0.45%	-	3,524	N/A
Land Rentals	487,100	298,686	61.32%	513,188	171,033	33.33%
Building Rentals	51,250	429,972	838.97%	636,239	336,377	52.87%
Food, Drink & Notions	3,000	22,938	764.59%	79,745	35,462	44.47%
Recover on Purchases	-	1,395	N/A	-	6,562	N/A
Gain-Sale of Investment	-	-	N/A	-	-	N/A
Oper Trans FM Fund 2P01	-	15,537	N/A	-	-	N/A
<b>TOTAL CIVIC CENTER REVENUE FUND</b>	<b>\$ 1,208,880</b>	<b>\$ 947,441</b>	<b>78.37%</b>	<b>1,453,139</b>	<b>749,261</b>	<b>51.56%</b>

**2003 RECEIPTS BY CLASSIFICATION**  
**CIVIC CENTER REVENUE FUND**  
**Thru 6/30/2003**

	<b>YTD 6/30/03 Actual</b>	<b>YTD 6/30/02 Actual</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Civic Center Fees	\$ 176,706	\$ 196,303	\$ (19,597)	-11.09%
Interest Earnings	2,207	3,524	(1,317)	-59.67%
Land Rentals	298,686	171,033	127,653	42.74%
Building Rentals	429,972	336,377	93,595	21.77%
Food, Drink & Notions	22,938	35,462	(12,524)	-54.60%
Recover on Purchases	1,395	6,562	(5,167)	-370.40%
Gain-Sale of Investment	-	-	0	N/A
Oper Trans FM Fund 2P01	15,537	-	15,537	100.00%
<b>TOTAL CIVIC CENTER REVENUE FUND</b>	<b>\$ 947,441</b>	<b>\$ 749,261</b>	<b>\$ 198,180</b>	<b>20.92%</b>

**CIVIC CENTER  
SALARIES, REGULAR  
THRU 6/30/2003 EXPENSE COMPARISON**

<b>Department/Agency</b>	<b>2003 Expenditures</b>	<b>2002 Expenditures</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Civic Center	\$ 248,212	\$ 262,495	\$ (14,283)	-5.75%
<b>TOTAL CIVIC CENTER REVENUE FUND</b>	<b>\$ 248,212</b>	<b>\$ 262,495</b>	<b>\$ (14,283)</b>	<b>-5.75%</b>

**CIVIC CENTER  
SALARIES, OVERTIME  
THRU 6/30/02003 EXPENSE COMPARISON**

<b>Department/Agency</b>	<b>2003 Expenditures</b>	<b>2002 Expenditures</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Civic Center	\$ 4,666	\$ 4,601	\$ 65	1.39%
<b>TOTAL CIVIC CENTER REVENUE FUND</b>	<b>\$ 4,666</b>	<b>\$ 4,601</b>	<b>\$ 65</b>	<b>1.39%</b>